

# ELLIS:LAWHORNE

John J. Pringle, Jr.  
Direct dial: 803/343-1270  
[jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

November 23, 2004

## **VIA HAND-DELIVERY**

**South Carolina Public Service Commission**

**ATTN: Docketing Department**

PO Drawer 11649

Columbia SC 29211

RE: Application of France Telecom Corporate Solutions L.L.C. for a Certificate of Public Convenience and Necessity to Provide Resold Local Exchange Services and Intrastate Interexchange Telecommunications Services Within the State of South Carolina, for Flexible Rate Structure for Local Exchange Service Offerings First Approved in Docket No. 97-467-C, and for Alternative Regulation First Approved in Docket No. 95-661-C  
**Docket No. \_\_\_\_\_, Our File No. 923-10261**

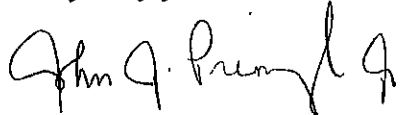
To Whom It May Concern:

Enclosed is the original and ten (10) copies of the **Application** filed on behalf of France Telecom Corporate Solutions L.L.C. in the above-referenced matter.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it via the person delivering same.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Mr. Jean-Sebastian Falisse [via first-class mail service]  
William K. Coulter, Esquire/Elizabeth Holowinski, Esquire [via first-class mail service]  
Office of Regulatory Staff [via first-class mail service]

Enclosures

G:\APPS\OFFICE\WPWIN\WPDOCS\1Telecom Applicants\EVERYCALL COMMUNICATIONS\dukesapp.wpd

**BEFORE THE**  
**SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

IN RE:	)	
	)	
APPLICATION OF FRANCE TELECOM	)	
CORPORATE SOLUTIONS L.L.C.	)	
FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY	)	
TO PROVIDE RESOLD LOCAL EXCHANGE	)	
SERVICE AND INTRASTATE	)	DOCKET NO. _____
INTEREXCHANGE TELECOMMUNICATIONS	)	
SERVICES WITHIN THE STATE OF SOUTH	)	
CAROLINA, FOR FLEXIBLE RATE	)	
STRUCTURE FOR LOCAL EXCHANGE	)	
SERVICE OFFERINGS FIRST APPROVED IN	)	
DOCKET NO. 97-467-C AND FOR	)	
ALTERNATIVE REGULATION FIRST	)	
APPROVED IN DOCKET NO. 95-661-C	)	

**APPLICATION OF FRANCE TELECOM CORPORATE SOLUTIONS L.L.C.**

France Telecom Corporate Solutions L.L.C. (the "Applicant"), hereby applies to the South Carolina Public Service Commission (the "Commission") for a Certificate of Public Convenience and Necessity, pursuant to S.C. Code Ann. §58-9-280(B), as amended, and the Commission's Rules and Regulations, authorizing Applicant to provide resold local exchange and intrastate, interexchange telecommunications and data communications services within the State of South Carolina. In addition, Applicant requests that the Commission regulate its local exchange telecommunications services in accordance with the principles and procedures established for flexible regulation in Commission Order No. 98-165 in Docket No. 97-467-C. Pursuant to S.C. Code Ann. §58-9-585 and the general regulatory authority of the Commission, Applicant also requests that the Commission regulate its interexchange service offerings as described below in accordance with the principles and procedures established for alternative regulation in Commission

Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C. Applicant further requests, pursuant to R. 103-601(3) of the Rules of the Commission, that the Commission waive the application of certain Commission Rules, as outlined herein.

In compliance with the Commission's Rules and Regulations, the following information is provided.

**I. DESCRIPTION OF THE APPLICANT**

1. **Applicant's Name and Address.** Applicant's correct name and address are:

France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SP0604  
Herndon, VA 20171

2. **Applicant's Corporate Structure.** Applicant was organized under the laws of the State of Delaware on Nov. 28, 2001. Applicant's Certificate of Formation is attached hereto at Exhibit "A". Applicant's Certificate of Authority to Transact Business in South Carolina is attached hereto as Exhibit "B".

3. **Applicant's Attorneys' Names and Addresses.** The correct names, addresses and telephone numbers of Applicant's attorneys are:

John J. Pringle, Jr., Esq.  
ELLIS, LAWHORNE & SIMS, P.A.  
P.O. Box 2285  
Columbia, South Carolina 29202  
Tel: (803) 254-4190  
Fax: (803) 779-4749

William K. Coulter, Of Counsel  
Coudert Brothers LLP  
1627 I Street, NW  
Washington, DC 20006  
Tel: (202) 775-5100  
Fax: (202) 775-1168

5. **South Carolina Offices.** Applicant does not maintain, and does not intend to maintain, an office in the State of South Carolina. Accordingly, the Company seeks permission, per Commission Rule 103-610, to keep its books and records at its corporate offices. Applicant's registered agent and address for service of process in the State of South Carolina is: CT Corporation System, 75 Beattie Place, Greenville, South Carolina 29601.

## **II. DESCRIPTION OF APPLICANT'S PROPOSED SERVICES**

### **6. Description of Proposed Services.**

A. **Applicant's Initial Services.** The Applicant plans to offer all forms of intraexchange telecommunications services on a resale basis within the state. Initially, Applicant will provide Local Exchange Service, Virtual Private Network Service, Local Dedicated Service, Integrated Services Digital Network Primary Rate Interface (ISDN-PRI). The Applicant also plans to offer all forms of interexchange telecommunications services on a resale basis within the state. Initially, Applicant will provide Switched Interexchange Service, Dedicated Interexchange Service, Virtual Private Network Service, Frame Relay Service, Carrier 800 Service, Private Line Service and Travel Calling Card Service. In addition, Applicant intends to provide resold commercial mobile radio services.

B. **Related Billing and Customer Service Information.** Applicant intends to enter into direct billing arrangements with consumers in South Carolina. The charges, based upon the rates which will be set forth in Applicant's tariff, Applicant's name, and its toll-free telephone number for customer assistance will appear on all invoices. In addition, consumers may contact Applicant's customer service representatives regarding a broad range of service matters, including: (i) the types of services offered by Applicant and the rates associated with such services; and (ii)

problems or concerns pertaining to the consumer's current service. Applicant's customer service representatives will be available to assist consumers twenty-four (24) hours per day, seven (7) days per week.

7. **Geographic Area to Be Served.** Applicant proposes to serve the entire State of South Carolina to the fullest extent permitted by the laws of the State of South Carolina and the orders, rules and regulations of the Commission.

8. **Tariff.** Applicant proposes to offer local exchange and intrastate, long distance services within the State of South Carolina as further described in its proposed tariffs, attached hereto at Exhibit "C". Modifications to these tariffs, once approved, shall be made on such notice as is required by the Commission's rules.

9. **Flexible Regulation of Local Exchange Services.** Applicant requests that the Commission allow Applicant to employ a flexible local exchange rate structure first authorized by Commission Order No. 98-165 in Docket No. 97-467-C. Specifically, Applicant requests that the Commission:

- (a) adopt for Applicant's local exchange services a competitive rate structure incorporating maximum rate levels with flexibility for Applicant to adjust its rates below the maximum rate levels; and
- (b) permit Applicant's local exchange service tariff filings to be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of such filings. At the discretion of the Commission, such filings would be suspended pending further order of the Commission and any such filings would be subject to the same monitoring process as is applied to other, similarly situated carriers.

10. **Alternative Regulation of Business Service Offerings.** Applicant requests that all of its business service offerings be regulated pursuant to the procedures described and set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C. It is Applicant's intent by this request to have its business services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States, Inc. ("AT&T"). Specifically, Applicant requests that the Commission:

- (a) remove the maximum rate tariff requirements for its business services, consumer card, operator service,<sup>1</sup> private line, and customer network-type offerings;
- (b) presume that the tariff filings for these uncapped services be valid upon filing. However, if the Commission institutes an investigation of a particular filing within seven (7) days, the tariff filing would be suspended until further order of the Commission; and
- (c) grant Applicant the same treatment as AT&T in connection with any future relaxation of the Commission's reporting requirements.

11. **Requested Waivers.** Commission Rule 103-603(3) provides that in "any case where compliance with any...rules and regulations introduces unusual difficulty such rule or regulation may be waived by the Commission upon a finding by the Commission that such a waiver is in the public interest." As described below, compliance with certain Commission rules will "introduce unusual difficulty" for the Applicant. Additionally, Applicant asserts that granting the waivers requested herein are "in the public interest".

---

<sup>1</sup> Excepting those operator-assisted calls where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected the local exchange carrier as their toll provider. Operator surcharges and per-minute rates for this type of call were capped by Commission Order No. 2001-997, dated November 8, 2001.

- (a) Retention of Records (R. 103-611). Except to the extent that the Rules of the Federal Communications Commission require Applicant to keep certain of its books and records in accordance with the Uniform System of Accounts, Applicant requests that the Commission allow it to keep all other books and records in conformance with Generally Accepted Accounting Principles.
- (b) Operating Area Maps (R. 103-612.2.3). Applicant intends to offer service throughout the geographic service areas of the incumbent local exchange carriers operating in the State of South Carolina. Therefore, Applicant requests that the Commission forbear from requiring Applicant to “file with this Commission a map or maps showing its certificated area and/or exchange service area(s).”
- (c) Directories (R. 103-631). Applicant does not intend to publish telephone directories. However, Applicant will ensure that its customers are included in the applicable directory publishing of its facilities-based underlying local exchange carriers.

### **III. APPLICANT’S TECHNICAL, FINANCIAL AND MANAGERIAL QUALIFICATIONS**

**12. Technical and Managerial Expertise.** Applicant has sufficient technical and managerial ability to provide the service for which authority is requested in this Application. A description of Applicant’s management team is attached hereto at Exhibit “D”. Applicant or Applicant’s affiliates have filed, or are in the process of filing, applications for authority to provide the telecommunications and data communications services described herein throughout the United States. Neither Applicant nor its affiliates have been denied authority to provide intrastate telecommunications or data services in any state and have not been subject to any regulatory penalties for violating state or federal telecommunications statutes, rules or regulations (e.g.,

slamming).

13. **Financial Capability.** Applicant possesses sufficient financial capability to provide its local exchange and intrastate interexchange telecommunications and data communications services on a continuous basis. Attached as Exhibit "E" is a demonstration of the Applicant's financial capability.

14. **Compliance with Laws.** By submitting this application, and by participating in all proceedings necessary to effect certification, Applicant hereby asserts its willingness and ability to comply with all rules and regulations that the Commission may impose subject to South Carolina law as now or hereafter enacted, including participation in the South Carolina Universal Service Fund. Accordingly, by this application, Applicant seeks such approval and authority as may be required for Applicant to provide local exchange and intrastate, interexchange voice and data services throughout the entire State of South Carolina.

15. **Procedure for Verifying Customer Ordered Changes.** Applicant intends to comply with all state or federal telecommunications statutes, rules or regulations governing the processing, verification and implementation of customer-ordered changes. Applicant does not intend to use telemarketers in marketing its services to customers located in South Carolina.

#### **IV. ARGUMENT IN SUPPORT OF APPLICATION**

17. **Public Interest, Convenience and Necessity.** Commission approval of the matters described in Applicant's Application is in the public interest. Grant of Applicant's request for authority to provide the telecommunications and data communications services described herein will increase competition for consumers of such services within the State of South Carolina. Competition, in turn, will encourage efforts by other certificated telecommunications providers to broaden the range of choices for South Carolina consumers of local exchange and long distance




voice and data services. Applicant submits that, based on the information supplied herein, its proposed service offerings will provide South Carolina consumers with high quality telecommunications and data communications products and services at reasonable rates while encouraging innovation and efficiency among all providers of such products and services in the state.

**WHEREFORE**, Applicant respectfully requests that the Commission:

- (1) Issue a Certificate of Public Convenience and Necessity authorizing it to engage in the provision of resold local exchange and resold intrastate interexchange telecommunications and data communications services within the State of South Carolina (as described in this Application); and
- (2) grant any other and additional relief that the Commission may deem just and proper.

Respectfully submitted this 23rd day of November, 2004.

ELLIS, LAWHORNE & SIMS, P.A.

  
JOHN J. PRINGLE, JR., Esq.

P.O. Box 2285  
Columbia, South Carolina 29202  
Tel: (803) 254-4190  
Fax: (803) 779-4742

Of Counsel:  
William K. Coulter  
Coudert Brothers LLP  
1627 I Street, NW  
Washington, DC 20006  
Tel: (202) 775-5100  
Fax: (202) 775-1168

**EXHIBIT "A"**

**CERTIFICATE OF FORMATION**

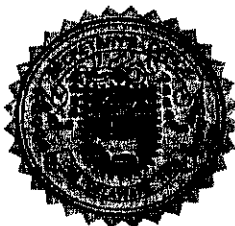
# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "FRANCE TELECOM CORPORATE SOLUTIONS L.L.C." IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTEENTH DAY OF OCTOBER, A.D. 2002.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

3461073 8300

020642303

AUTHENTICATION: 2040119

DATE: 10-17-02

*State of Delaware*  
*Office of the Secretary of State* PAGE 1

---

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "FRANCE TELECOM CORPORATE SOLUTIONS L.L.C.", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF NOVEMBER, A.D. 2001, AT 9:30 O'CLOCK A.M.



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

3461073 8100

AUTHENTICATION: 1469978

010601102

DATE: 11-29-01

11/28/2001 10:07 FAX 202 822 2099

FRANCE TELECOM

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 09:30 AM 11/28/2001  
010601102 - 3461073

## CERTIFICATE OF FORMATION

OF

FRANCE TELECOM CORPORATE SOLUTIONS L.L.C.

1. The name of the limited liability company is France Telecom Corporate Solutions L.L.C.
2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of France Telecom Corporate Solutions L.L.C.

this 28<sup>th</sup> day of November, 2001

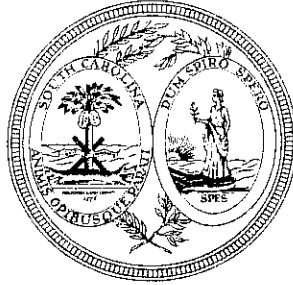
FRANCE TELECOM PARTICIPATIONS  
U.S., INC.

  
Danielle Aguto  
Assistant Secretary

**EXHIBIT "B"**

**CERTIFICATE OF AUTHORITY**

# *The State of South Carolina*



## *Office of Secretary of State Mark Hammond* **Certificate of Authorization**

**I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:**

FRANCE TELECOM CORPORATE SOLUTIONS L.L.C., A Limited Liability Company duly organized under the laws of the State of DELAWARE, and issued a certificate of authority to transact business in South Carolina on September 11th, 2003, with a duration that is at will, has as of this date filed all reports due this office, including its most recent annual report as required by section 33-44-211, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed a certificate of cancellation as of the date hereof.

Given under my Hand and the Great Seal of  
the State of South Carolina this 20th day of  
October, 2003.

*Mark Hammond*

Mark Hammond, Secretary of State



**EXHIBIT "C"**

**PROPOSED TARIFFS**

**TITLE PAGE**

**FRANCE TELECOM CORPORATE SOLUTIONS L.L.C.**

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES  
APPLYING TO LOCAL EXCHANGE COMMUNICATIONS SERVICES  
WITHIN THE STATE OF SOUTH CAROLINA

Applicable in the State of South Carolina

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

CHECK SHEET

The Title Page and pages listed below of this Tariff are effective as of the date shown. Revised pages contain all changes from the original Tariff that are in effect as of the date indicated.

<u>Page</u> <u>No.</u>	<u>Number of</u> <u>Revision</u>	<u>Page</u> <u>No.</u>	<u>Number of</u> <u>Revision</u>	<u>Page</u> <u>No.</u>	<u>Number of</u> <u>Revision</u>	<u>Page</u> <u>No.</u>	<u>Number of</u> <u>Revision</u>
---------------------------	-------------------------------------	---------------------------	-------------------------------------	---------------------------	-------------------------------------	---------------------------	-------------------------------------

ALL PAGES ARE ORIGINAL.

\* New or Revised Page.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

TABLE OF CONTENTS

---

TITLE PAGE .....	1
CHECK SHEET .....	2
TABLE OF CONTENTS .....	3
EXPLANATION OF NOTES .....	4
TARIFF FORMAT .....	4
Section 1 - PRELIMINARY STATEMENT, APPLICABILITY AND AVAILABILITY .....	6
Section 2 - GENERAL RULES AND REGULATIONS .....	7
Section 3 - CONNECTION CHARGES .....	31
Section 4 - SERVICES AND RATE STRUCTURE .....	32
Section 5 - SUPPLEMENTAL SERVICES .....	44
Section 6 - RESIDENTIAL NETWORK SWITCHED SERVICES .....	45
Section 7 - SPECIAL SERVICES AND PROGRAMS .....	46
Section 8 - SPECIAL ARRANGEMENTS .....	50
Section 9 - LOCAL CALLING AREAS .....	51
Section 10 - EXPLANATION OF TERMS .....	52
Section 11 - BILLING AND COLLECTION .....	56

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

EXPLANATION OF NOTES

- (C) To signify a changed regulation.
- (D) To signify discontinued material, including listing, rate, rule or condition.
- (I) To signify an increase in a rate.
- (M) To signify material relocated from or to another part of Tariff schedule with no change in text, rate, rule, or condition.
- (N) To signify new material including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but no change in rate, rule or condition.

## TARIFF FORMAT

Page Numbering – Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new Pages are occasionally added to the Tariff. When a new Page is added between Pages already in effect, a decimal point is added. For example, a new Page added between Pages 14 and 15 would be 14.1.

Page Revision Numbers – Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current Page version on file with the Commission. For example, the 4<sup>th</sup> revised Page 14 cancels the 3<sup>rd</sup> revised Page 14. Because of various suspension periods, deferrals, etc. the Commission follows in their Tariff approval process, the most current Page number on file with the Commission is not always the Tariff page in effect.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

TARIFF FORMAT (CONT'D)

Paragraph Numbering Sequence – There are six levels of paragraph coding. Each level is subservient to its next higher level:

- 1.
- 1.1
- 1.1.1
- 1.1.1(a)
- 1.1.1(a)1.
- 1.1.1(a)1.(a)
- 1.1.1(a)1.(a)(i)

Check Sheets – When a Tariff filing is made with the Commission, an updated check page accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 1 - PRELIMINARY STATEMENT, APPLICABILITY AND AVAILABILITY****1.1 PRELIMINARY STATEMENT**

This Tariff sets forth rates and rules of France Telecom Corporate Solutions L.L.C. ("FTCS" or the "Company") applicable to its provision of resold competitive local exchange service, including within the State of South Carolina.

This Tariff sets forth the service offerings, rates, terms and conditions that apply to resold local exchange telecommunications service provided by Company to business customers within the State of South Carolina. The Company does not provide residential local exchange services at this time. This Tariff applies only for use of services provided by Company for communications between points within the State of South Carolina, including use of Company's services to complete an end-to-end intrastate communication.

The rates and rules contained herein are subject to change pursuant to the rules and regulations of the Commission.

**1.2 APPLICABILITY**

This Tariff applies to resold local exchange telephone service between points in South Carolina. Such service is provided 24 hours per day, seven days per week. Service is offered using the facilities of the LEC and may be offered in combination with resold services provided by other certificated carriers. Service is provided subject to the availability and economic feasibility of necessary service, equipment and facilities.

**1.3 AVAILABILITY**

The Company offers this service in the service areas in which it has been certified by the South Carolina Public Service Commission and in which the Company has available required network facilities or is able to lease required network facilities to enable the offering of local service. Only Customers which have subscribed to Company's interstate and international services pursuant to an agreement with the Company may apply for the service offerings contained in this Tariff. Interstate and international services are subject to the jurisdiction of the Federal Communications Commission ("FCC").

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS

### 2.1 USE OF FACILITIES AND SERVICE

#### 2.1.1 Limitation of Service, Equipment or Facilities

- a. Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this Tariff. The Company may decline applications for Service to or from a location where the necessary facilities or equipment are not available. The Company may discontinue furnishing Service in accordance with the terms of this Tariff.
- b. The Company reserves the right to discontinue or limit Service when necessitated by conditions beyond its control. Examples of these conditions are more fully set forth elsewhere in this Tariff or when Service is used in violation of the provisions of this Tariff or the law.
- c. The Company does not undertake to generate content messages, but offers the use of its Service when available. As more fully set forth elsewhere in this Tariff, the Company shall not be liable for errors in transmission or for failure to establish connections.
- d. The Company reserves the right to discontinue Service, limit Service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing Service, as determined by the Company in its reasonable judgment.
- e. The furnishing of Service under this Tariff is subject to the availability on a continuing basis of all the necessary facilities and/or equipment. FTCS may decline applications for service to or from a location where the necessary facilities or equipment are not available. FTCS also reserves the right to make changes to equipment, service components, and/or network configurations as may be required. FTCS may discontinue furnishing Service in accordance with the terms of this Tariff.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171



---

**SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)****2.1 USE OF FACILITIES AND SERVICE (CONT'D)****2.1.1 Limitation of Service, Equipment or Facilities (Cont'd)**

- f. FTCS reserves the right to deny service to any person or entity: (A) who, in FTCS's judgment, presents an undue risk of nonpayment, refuses to comply with the deposit requirements set forth in this Tariff, or does not pass a credit check; or (B) if FTCS believes that the person's or entity's use of the Service would violate the provisions of this Tariff or any applicable law or regulation, or if any applicable law or regulation restricts or prohibits provision of the Service to that person or entity; or (C) if FTCS determines in its sole discretion that facilities are not available to provide the Service; or (D) if FTCS determines in its sole discretion that any order for Service, letter of authorization and/or third party verification is not in conformance with any applicable law or regulation; or (E) the Service requested has been discontinued; or (F) if an order for the Service may be denied under the terms of any carrier, switched or independent sales representative agreement.
- g. Service may be discontinued by FTCS, at any time and without notice to its Customers, by blocking traffic to or from certain cities, NXX exchanges, or individual telephone stations, by blocking call origination for FTCS's services, or by blocking calls using certain Customer authorization codes and/or access codes, when FTCS deems it necessary to take such action to prevent unlawful and/or unauthorized use of its services. In addition, FTCS may take any of the foregoing actions in the case of actual or anticipated non-payment for its service. In order to control fraud, FTCS may refuse to accept Calling Card, Collect Calling, and/or Third Party calls which it reasonably believes to be unauthorized or invalid and/or may limit the use of these billing options to or from certain areas within the State of South Carolina.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.1 USE OF FACILITIES AND SERVICE (CONT'D)

#### 2.1.1 Limitation of Service, Equipment or Facilities (Cont'd)

- h. FTCS reserves the right to refuse to provide service to or from any location where it has not ordered access facilities, installed network interconnections, or the necessary facilities and/or equipment are not available, acceptable, or justifiable. FTCS also reserves the right to make changes to equipment, service components, and/or network configurations as may be required.
- i. The provision of service will not create a partnership or joint venture between FTCS and the Customer nor result in joint service offerings to their respective authorized users.
- j. Use of Service Mark
  - 1. No Customer shall use any service mark or trademark of the Company or refer to Company in connection with any product, equipment promotion, or publication of the Customer without the prior written consent of the Company.

#### 2.1.2 Limitations on Liability

- a. The liability of FTCS for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of FTCS, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, maintaining, restoring, or changing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under this Tariff (calculated on a proportionate basis where appropriate) to the period during which such error, mistake, omission, interruption or delay occurs.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.1 USE OF FACILITIES AND SERVICE (CONT'D)

#### 2.1.2 Limitations on Liability (Cont'd)

- b. In no event shall FTCS or any of its affiliates be liable to Customer, its customers or any of their affiliates under this Tariff for any loss of profit or revenue or for any incidental, consequential, indirect, punitive or similar or additional damages incurred or suffered as a result of incorrect or defective transmissions, or any direct or indirect consequences thereof, while using the Services, performance, non-performance, termination, breach, or other action or inaction, on the part of FTCS, under this Tariff, even if Customer advises FTCS of the foreseeability, possibility, likelihood, probability or certainty of such loss or damage.
- c. When the services or facilities of other entities are used separately or in conjunction with FTCS's facilities or equipment in establishing connection to points not reached by FTCS's facilities or equipment, FTCS shall not be liable for any act or omission of such other entities or their agents, servants or employees. FTCS shall not be liable for any act or omission of vendors supplying equipment to Customer nor for claims regarding the performance of such vendor supplied equipment.
- d. FTCS shall not be liable for any failure of performance hereunder if such failure is due to any cause or causes beyond its reasonable control as determined by FTCS. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, unavailability of rights-of-way or materials, or preemption of existing service to restore service in compliance with the decisions, rules, regulations and orders of the Commission or any other federal, international, state, or local governmental agency or authority.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.1 USE OF FACILITIES AND SERVICE (CONT'D)

#### 2.1.2 Limitations on Liability (Cont'd)

- e. FTCS shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury whatsoever, caused by the Customer, the Customer's agents, or Authorized Users, or by facilities or equipment provided by the Customer. FTCS shall not be liable for any act or omission by any entity furnishing to the Company or to the customer facilities or equipment used for or with the services the Company offers. The Company shall not be liable for the claims of vendors supplying equipment to Customers of the Company which may be installed at the premises of the Company. The Company shall not be liable for the performance of said vendor or vendor's equipment.
- f. FTCS does not guarantee or make any warranty with respect to any equipment provided by it where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous, or otherwise unsuitable for such equipment. Customers and Authorized Users indemnify and hold FTCS harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any party or persons, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, whether owned by the Customer, Authorized User, or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of such equipment so used.
- g. The Company is not liable for any defacement of or damage to the premises of a Customer or end-user (or authorized or joint user) resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of the gross negligence or willful misconduct on the part of the agents or employees of the Company.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

2.1 USE OF FACILITIES AND SERVICE (CONT'D)

2.1.2 Limitations on Liability (Cont'd)

- h. The Company shall not be liable for any damages resulting from delays in meeting any service dates due to delays resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.
- i. The Company shall not be liable for any damages whatsoever to property resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage is caused by the Company's willful misconduct or negligence.
- j. The Company shall not be liable for any damages whatsoever associated with service, facilities, or equipment which the Company does not furnish or for any act or omission of Customer or any other entity furnishing services, facilities or equipment used for or in conjunction with service.
- k. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.1 USE OF FACILITIES AND SERVICE (CONT'D)

#### 2.1.2 Limitations on Liability (Cont'd)

1. The Customer and any authorized or joint users, jointly and severally, shall indemnify and hold the Company harmless from claims, loss, damage, expense (including attorney's fees and court costs), or liability for patent infringement arising from (1) combining with, or using in connection with facilities the Company furnished, facilities the Customer, Authorized User, or joint user furnished, or (2) use of facilities the Company furnished in a manner the Company did not contemplate and over which the Company exercises no control and from all other claims, loss, damage, expense (including attorneys' fees and court costs), or (3) liability arising out of any commission or omission by the Customer, Authorized User, or joint user in connection with the Service. In the event that any such infringing use is enjoined, the Customer, Authorized User, or joint user, at its option and expense, shall obtain immediately a dismissal or stay of such injunction, obtain a license or other agreement so as to extinguish the claim of infringement, terminate the claimed infringing use, or modify such combination so as to avoid any such infringement. In addition and without limitation, the Customer, Authorized User, or joint user, shall defend, on behalf of the Company and upon request by the Company, any suit brought or claim asserted against the Company for any such slander, libel, infringement, or other claims.
- m. The Company shall not incur any liability, direct or indirect, to any person who dials or attempts to dial the digits "9-1-1" or to any other person who may be affected by the dialing of the digits "9-1-1". Customer agrees to advise its users that as to Company's data services, the "9-1-1" emergency dialing does not connect to the local public safety answering point.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.1 USE OF FACILITIES AND SERVICE (CONT'D)

#### 2.1.3 Service Connections and Facilities on Customer's Premises

- a. All Service along the facilities between the point identified as the Company's origination point and the point identified as the Company's termination point will be furnished by the Company, its agents or contractors.
- b. Customer shall allow Company continuous access and right-of-way to Customer's premises to the extent reasonably determined by the Company to be appropriate to the provision and maintenance of services, equipment, facilities and systems relating to this Tariff.
- c. The Company may undertake to use reasonable efforts to make available services to a Customer, on or before a particular date subject to the provisions of and compliance by the Customer with the regulations contained in this Tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing Service to any Customer.
- d. The Company undertakes to use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer, joint user, or authorized user may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise tamper with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- e. Title to all facilities provided by Company, including Terminal Equipment, shall remain with the Company. The operating personnel and the electric power consumed by such equipment on the premises of the Customer shall be provided by and maintained at the expense of the Customer.
- f. Equipment the Company provides or installs at the Customer's premises for use in connection with the Services the Company offers shall not be used for any purpose other than that for which the Company provided it.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

2.1 USE OF FACILITIES AND SERVICE (CONT'D)

2.1.3 Service Connections and Facilities on Customer's Premises (Cont'd)

- g. Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents imposed on Company-provided equipment and wiring by connection shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons.
- h. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this Tariff and to the maintenance and operation of such facilities; subject to this responsibility, the Company shall not be responsible for:
  - 1. the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission of; or
  - 2. the reception of signals by Customer-provided equipment.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171



---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.1 USE OF FACILITIES AND SERVICE (CONT'D)

#### 2.1.3 Service Connections and Facilities on Customer's Premises (Cont'd)

- i. Company is solely responsible for operating Company-provided equipment. In the event that Customer attempts to operate any Company-provided equipment without first obtaining Company's written approval, in addition to any other remedies of Company for a breach by Customer of Customer's obligations hereunder, Customer shall pay Company for any damage to Company-provided equipment caused or related to Customer's improper operation of Company-provided equipment upon receipt by Customer of a Company invoice therefor. In no event shall Company be liable to Customer or any other person for interruption of the Service or for any other loss, cost or damage caused or related to Customer's improper use of Company-provided equipment.
- j. Customer agrees to allow Company to remove all Company-provided equipment from Customer's premises:
  1. upon termination, interruption or suspension of the Service in connection with which the equipment was used; and
  2. for repair, replacement or otherwise as Company may determine is necessary or desirable.

At the time of such removal, such equipment shall be in the same condition as when delivered to Customer or installed on Customer's premises, normal wear and tear only excepted. Customer shall reimburse Company for the unamortized cost of any such equipment in the event the foregoing conditions are not met.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.1 USE OF FACILITIES AND SERVICE (CONT'D)

#### 2.1.3 Service Connections and Facilities on Customer's Premises (Cont'd)

- k. The Customer, Authorized User, or joint user is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such Company equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company provided equipment and wiring or injury to the Company's employees or to other persons. In advance, Customer will submit to Company a complete manufacturer's specification sheet for each item of equipment that is not provided by the Company and which shall be attached to the Company's facilities. The Company shall approve the use of such item(s) of equipment unless such item is technically compatible with Company's facilities. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.
- l. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Service, and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

#### 2.1.4 Assignment or Transfer

- a. All service provided under this Tariff is directly or indirectly controlled by FTCS and neither the Customer nor its Authorized Users may transfer or assign the use of service without the express prior written consent of FTCS. Such transfer or assignment shall only apply where there is no interruption of the use or location of service. All terms and conditions contained in this Tariff shall apply to all such permitted transferees or assignees.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)**

---

**2.2 MINIMUM PERIOD OF SERVICE**

The minimum period of service is one month except as otherwise provided in this Tariff. The Customer must pay the regular tariffed rate for the service they subscribe to for the minimum period of service. If a customer disconnects service before the end of the minimum service period, that Customer is responsible for paying the regular rates for the remainder of the minimum service period. When the service is moved within the same building, to another building on the same premises, or to a different premises entirely, the period of service at each location is accumulated to calculate if the Customer has met the minimum period of service obligation.

If service is terminated before the end of the minimum period of service as a result of condemnation of property, damage to property requiring the premises to be abandoned, or by the death of the customer, the Customer is not obligated to pay for service for the remainder of the minimum period.

If service is switched over to a new Customer at the same premises after the first month's service, the minimum period of service requirements are assigned to the new Customer if the new Customer agrees in writing to accept them. For facilities not taken over by the new Customer, the original customer is responsible for the remaining payment for the minimum service period in accordance with the terms under which the service was originally furnished.

**2.3 PAYMENT FOR SERVICE RENDERED****2.3.1 Application for Service**

- a. Customers desiring to obtain Service must complete service application forms provided by Company. Company may require Customers or potential customers to provide information pertaining to their ability to pay for Service. Company may deny Service to Customers or potential customers which do not provide the requested information or who fail to meet Company's financial criteria. Only Customers which have subscribed to Company's interstate and international services pursuant to an agreement with the Company are eligible to apply for the service offerings contained in this Tariff.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.3 PAYMENT FOR SERVICE RENDERED (CONT'D)

#### 2.3.1 Application for Service (Cont'd)

b. Cancellation of Application for Service:

Where installation of Service has been started prior to the cancellation of an application for Service, a cancellation charge equal to the costs incurred by the Company may apply.

c. Cancellation of Service:

The Customer may have service discontinued upon thirty (30) days written notice to the Company. The Company shall hold the Customer responsible for payment of all bills for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later. Upon early cancellation of a term agreement, the Customer agrees to pay Company for the balance due under the contract for the entire term of the agreement.

If Service was discontinued for non-payment of charges, Company may request additional information from the Customer and reserves the right to collect an advance payment and/or deposit prior to re-establishing Service.

Unless the Customer notifies Company at least thirty (30) days prior to the end of the initial term of the agreement, the agreement shall be automatically extended for a term equivalent to the initial term.

d. Applicants for Residential Service provided by Company must be given information on the Universal Lifeline program and its availability. Residential Service is not offered by Company at this time.

#### 2.3.2 Deposits

a. Company does not collect Deposits or advanced payments from Customers at this time.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.3 PAYMENT FOR SERVICE RENDERED (CONT'D)

#### 2.3.3 Payment of Charges

- a. The Company shall bill on a current basis all charges incurred by and credits due to the Customer. The Customer may receive its bill in: (1) a paper format, or (2) via electronic transmission. Such bills are due upon receipt regardless of the media utilized. The Company shall bill in advance charges for all services to be provided during the ensuing billing period except for charges associated with service usage. Adjustments for the quantities of Service established or discontinued in any billing period beyond the minimum period will be prorated to the number of days based on a 30-day month. The Company will, upon request and if available, furnish such detailed information as may reasonably be required for verification of the bill.
- b. The Company shall bill for all Services rendered within 90 days of the billing date.
- c. All bills for Service provided to the Customer by the Company are due 15 days from the bill date. If any portion of the payment is received by the Company after the payment due date as set forth above, or if any portion of the payment is received by the Company in funds which are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be a portion of the payment not received by the payment due date times a late factor. The late factor shall be 1.5% per month or 18% annually, or the highest rate allowed by law, whichever is the lesser. The late factor will be applied for the number of days from the payment due date to and including the date that the Customer actually makes the payment to the Company.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.3 PAYMENT FOR SERVICE RENDERED (CONT'D)

#### 2.3.3 Payment of Charges (Cont'd)

- d. Customer shall be responsible for payment of all sales, use, gross receipts, excise, access, bypass or other local, state and Federal taxes, charges or surcharges, however designated, imposed on or based upon the provision, sale or use of the services rendered by Company. Such taxes and surcharges shall be separately stated on the Customer's bill.
- e. When a check which has been presented to Company by a Customer in payment for charges is returned by the bank, the Customer shall be responsible for the payment of a Returned Check Charge of \$20.

#### 2.3.4 Non-Recurring Charges

- a. Non-recurring charges are payable when the service for which they are specified has been ordered. If an entity other than FTCS (*e.g.*, another carrier or supplier) imposes or will impose charges on FTCS in connection with an ordered service, those costs will also be charged to the Customer.

#### 2.3.5 Customer Overpayments

Company will provide interest on customer overpayments that are not refunded within 30 days of the date Company receives the overpayment. An overpayment is considered to have occurred when payment in excess of the correct charges for service is made because of erroneous Company billing. The customer will be issued reimbursement for the overpayment, plus interest, or, if agreed to by the customer, credit for the amount will be provided on the next regular Company bill. The rate of interest shall be the Company's applicable late payment penalty.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.3 PAYMENT FOR SERVICE RENDERED (CONT'D)

#### 2.3.5 Customer Overpayments (Cont'd)

Interest shall be paid from the date when overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment is refunded. The date when overpayment is considered to have been made will be the date on which the customer's overpayment was originally recorded to the customer's account by Company.

#### 2.3.6 Disputed Bills

In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Customer must submit a written documented claim for the disputed amount. The Customer must submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 90 days of receipt of billing for those services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.

Unless disputed, the invoice shall be deemed to be correct and payable in full by Customer. If the Customer is unable to resolve any dispute with the Company, then Customer may file a complaint with the South Carolina Public Service Commission, South Carolina Office of Regulator Staff's Consumer Services Department, P.O. Box 11263, Columbia, SC 29211, Tel. (803) 737-5230 or Tel. (800) 922-1531.

If the dispute is resolved in favor of the Customer, no interest credits or penalties will apply.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)**

---

**2.4 OBLIGATIONS OF THE CUSTOMER****2.4.1 The Customer shall be responsible for:**

- a. The payment of all applicable charges as set forth in this Tariff.
- b. Damage or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer, authorized user, or joint user or the non-compliance by the Customer, authorized user, or joint user with these regulations; or by fire or theft or other casualty on the premises of the Customer, authorized user, or joint user unless caused by the gross negligence or willful misconduct of the employees or agents of the Company.
- c. Providing as specified from time to time by the Company any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, authorized user, or joint user and the level of power, heating and air conditioning necessary to maintain the proper environment on such premises.
- d. Obtaining, maintaining, and otherwise having full responsibility for rights-of-way and conduit necessary for installation of Fiber Optic Cable and associated equipment to provide Service to the Customer, authorized user or joint user from the cable building entrance or the property line of the land on which the structure wherein any termination point or origination point used by the Customer, authorized user or joint user is placed or located, whichever is applicable, through the point of entry into the structure, throughout the structure, to the location of the equipment space. Any and all costs associated with the obtaining and maintaining of the rights of way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for Service.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171



---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.4 OBLIGATIONS OF THE CUSTOMER (CONT'D)

#### 2.4.1 The Customer shall be responsible for: (Cont'd)

- e. Providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury to Company employees or property might result from installation or maintenance by the Company.
- f. Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer Premises or the rights-of-way for which the Customer is responsible and obtaining permission for Company agents or employees to enter the premises of the Customer, authorized user, or joint user at any reasonable hour for the purpose of installing, inspecting, repairing, or upon termination of Service as stated herein, removing the facilities or equipment of the Company.
- g. Making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which Service is interrupted for such purposes.
- h. Keeping the Company's equipment and facilities located on the Customer's premises of rights-of-way obtained by the Customer free and clear of any liens or encumbrances relating to the Customer's use of the Company's services or from the locations of such equipment and facilities.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

2.4 OBLIGATIONS OF THE CUSTOMER (CONT'D)

2.4.1 The Customer shall be responsible for: (Cont'd)

- i. Customer Terminal Equipment on the premises of the Customer, authorized user, or joint user, the operating personnel there, and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer, authorized user, or joint user. Conformance of Customer provided station equipment with Part 68 of the FCC Rules is the responsibility of the Customer.
- j. The Customer, authorized user, or joint user is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)**

---

**2.5 MAINTENANCE AND TESTING**

Upon suitable notice, the Company may make such tests, adjustments and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition. No interruption allowance will be credited to the Customer for the period during which the Company makes such tests, adjustments, or inspections.

Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer, authorized user, or joint user is complying with the requirements set forth above for the installation, operation and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment. If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten (10) days of receiving this notice, the Customer must take such action. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of Service, to protect its facilities, equipment, and personnel from harm.

**2.6 DISCONTINUANCE BY THE COMPANY**

2.6.1 The Company, by fifteen (15) days written notice to the Customer and in accordance with applicable law, may discontinue Service or cancel an application for Service without incurring any liability when there is an unpaid balance for Service that is overdue and not disputed.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)**

---

**2.6 DISCONTINUANCE BY THE COMPANY (CONT'D)**

- 2.6.2 The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, shall be subject to discontinuance of Service in the same manner as provided for nonpayment of overdue charges.
- 2.6.3 The Customer shall be subject to discontinuance of Service, without notice, for any violation of any law, rule, regulation or policy of any government authority having jurisdiction over Service, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such Service, or for any violation of any of the provisions governing the furnishing of Service under this Tariff.
- 2.6.4 The Company may immediately discontinue service to any Customer, without notice, in order to protect against fraud or to otherwise protect Company personnel, agents, facilities, or services.
- 2.6.5 The Customer shall be subject to discontinuance of Service, without notice, for the Company to comply with any order or request of any governmental authority having jurisdiction.
- 2.6.6 If any Customer files for bankruptcy or reorganization or fails to discharge an involuntary petition therefor within the time permitted by law, the Company may immediately discontinue or suspend Service under this Tariff without incurring any liability.
- 2.6.7 Upon the Company's discontinuance of Services to the Customer, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff, may declare all future monthly and other charges which would have been payable by the Customer under this Tariff during the remainder of the minimum term for which such Services would have otherwise been provided to the Customer to be immediately due and payable.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

### 2.6 DISCONTINUANCE BY THE COMPANY (CONT'D)

2.6.8 If Service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, Service shall, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected. Non-recurring charges apply to restored Services.

2.6.9 Any notice the Company may give to a Customer shall be deemed properly given when delivered, if delivered in person, or when deposited with the U.S. Postal Service, addressed to the Customer's billing address or to such address as may be subsequently given by Customer to the Company.

2.6.10 Except for cancellation of Service or as otherwise provided by these rules, any notice from any Customer may be given by the Customer or any authorized representative to the Company's business office orally or by written notice mailed to the Company's business address. Cancellation of Service must be by written notice.

### 2.7 RESTORATION OF SERVICE

2.7.1 If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, service shall, at FTCS's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected.

### 2.8 ALLOWANCES FOR INTERRUPTIONS IN SERVICE

2.8.1 Credit allowances for interruptions of service which are not due to FTCS's inspection or testing, to the negligence of the Customer, or the failure of channels, equipment and/or communications systems provided by the Customer, are subject to the general liability provisions set forth in this Tariff.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

---

## 2.8 ALLOWANCES FOR INTERRUPTIONS IN SERVICE (CONT'D)

2.8.2 It shall be the obligation of the Customer to notify FTCS immediately of any interruption in service for which the Customer desires a credit allowance. Before giving such notice, the Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer.

2.8.3 For purposes of credit computation, every month shall be considered to have 30 days. The Customer shall be credited for an interruption of one day (24 hours) or more at the rate of  $1/30^{\text{th}}$  of the monthly charge for the services affected for each day that the interruption continues.

Credit Formula:

$$\text{Credit} = A/30 \times B$$

A = outage time in days

B = total monthly charge for affected service

2.8.4 No credit allowances shall be made for:

- a. Interruptions that are caused by the negligence of the Customer or others authorized by the Customer to use the Customer's service;
- b. Interruptions that are due to the failure of power, equipment, systems, or services not provided by FTCS;
- c. Interruptions during any period during which FTCS or its agents are not afforded access to the premises where Access Lines associated with the Customer's service are located;
- d. Interruptions during any period when the Customer or user has released the service to FTCS for maintenance, rearrangement, or the implementation of a Customer order;

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 2 - GENERAL RULES AND REGULATIONS (CONT'D)

2.8 ALLOWANCES FOR INTERRUPTIONS IN SERVICE (CONT'D)

2.8.4 No credit allowances shall be made for: (Cont'd)

- e. Interruptions during any period when the Customer or user has refused to release the service for testing or repair;
- f. Interruptions during any period when the non-completion of calls is due to network busy conditions; or
- g. Interruptions not promptly reported to the FTCS.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 3 - CONNECTION CHARGES

[Reserved for Future Use]

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171



---

## SECTION 4 - SERVICES AND RATE STRUCTURE

### 4.1 SERVICE OFFERINGS

#### 4.1.1 Local Exchange Service

##### a. Nature of Service

Local Exchange Service is a telephone service that allows customers to originate non-toll local calls at locations within the service areas in which the Company has been approved for certification and terminate calls within the local calling area and EAS area of those locations, and within the LATA in which the call originates.

Touch Tone service provides for the origination of calls by means of instrumentalities equipped for tone-type signaling.

Service connection charges are nonrecurring charges which apply for the connection, move or change of local telephone service. One or more Service Connection Charges may apply to each Customer order depending upon the work functions performed. All changes in the location of customer's service from one premises to another are treated as new service establishment with Service Connection Charges applying. Service Connection Charges are associated with, but not necessarily limited to:

1. Installation of Service - Applies for establishing each initial or additional line or trunk. The charge includes initial ordering, central office work and exchange access line work.
2. Primary Interexchange Carrier (PIC) Change Charge - This refers to an arrangement whereby a customer may select and designate an Interexchange Carrier to access, without an access code, for interLATA and intraLATA calls. Single line customers requesting a PIC to only one line will incur the per line charge. Multi-line customers requesting a PIC to more than one line in a single request will incur the per line charge for the first line and the additional line charge for each additional line.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)**

---

**4.1 SERVICE OFFERINGS (CONT'D)****4.1.1 Local Exchange Service (Cont'd)****a. Nature of Service (Cont'd)**

3. Record Change - This refers to the changing of billing name responsibility subsequent to the initial installation of service.
4. Trouble Isolation - Applies for each repair visit made to a customer premise to test the central office line, up to the demarcation point, when the line test clear and the trouble is not found in the exchange providers facilities.

**b. Recurring Rates**

Local Access Line	\$66 per month
-------------------	----------------

**c. Non-recurring Charge**

Installation	\$112
PIC change charge-InterLATA	\$10
PIC change charge-IntraLATA	\$10
Record Change	\$17
Trouble Isolation	\$140

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

### 4.1 SERVICE OFFERINGS (CONT'D)

#### 4.1.2 Virtual Private Network Service

The Virtual Private Network ("VPN") service provides the Customer the functionality and capabilities of a private network through the use of shared and/or dedicated transmission facilities. This service permits the Customer to establish a communications path between two Customer locations.

a. On Net – On Net

The following features are available:

1. Private numbering plan;
2. Call Line Identification ("CLID"), in order to get the appearance of an alphanumeric message including name of the calling Customer site and the last digits of the caller's extension;
3. User access code, in order to identify, monitor and authorize the use of tolled services;
4. Intrastate toll free and toll shared services, for inbound communications to Customer call centers; and
5. Call rerouting to an alternate Customer site.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

4.1 SERVICE OFFERINGS (CONT'D)

4.1.2 Virtual Private Network Service (Cont'd)

b. Virtual On Net

The following features are available:

1. Private numbering plan;
2. Call Line Identification ("CLID"), in order to get the appearance of an alphanumeric message including name of the calling Customer site and the last digits of the caller's extension;
3. User access code, in order to identify, monitor and authorize the use of tolled services;
4. Intrastate toll free and toll shared services, for inbound communications to Customer call centers;
5. Call rerouting to an alternate Customer site;
6. On Net – Off Net;
7. Off Net – On Net; and
8. Off Net – Off Net.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

## 4.1 SERVICE OFFERINGS (CONT'D)

## 4.1.2 Virtual Private Network Service (Cont'd)

## c. Recurring Charges

The following per minute rates apply to all VPN switched and dedicated calls as specified below:

Service	InterLATA	IntraLATA
On-Net - On-Net	\$0.04	\$0.04
Virtual On Net	\$0.04	\$0.04
On Net – Off Net	\$0.10	\$0.10
Off Net – On Net	\$0.10	\$0.10
Off Net – Off Net	\$0.15	\$0.15

## Other Recurring Charges:

Remote Access	\$0.50 per call
Personal Codes (per account)	\$40 per month
Remote Access per 8XX	\$2 per month

## d. Non-recurring Charges

Set Up Charge	\$10,000
Switched Access Line Group charge (applies to each Company VPN location with switched access)	\$100 per location
Switched overflow	\$50

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

### 4.1 SERVICE OFFERINGS (CONT'D)

#### 4.1.3 Local Dedicated Service

##### a. Nature of Service

Local Dedicated Service provides a digital exchange service for PBX customers. Dedicated service includes a dedicated line facility, common equipment, local exchange switching for access to the local exchange and toll networks. Each dedicated line facility utilizes channels which may be configured as either basic or advanced trunks, as defined, or a combination of both types of trunks. Rates and charges include touch-tone. The rates depicted below are for month to month or a one (1) year term as well as thirty-six (36) month or sixty (60) month terms.

##### b. Recurring and Non-recurring Charges

#### 1. DS-1 Rate Elements (per circuit, per customer premises)

	<u>Monthly Rate</u>	<u>Nonrecurring Rate</u>
a. Channel Termination		
Month-to-Month	\$191.00	\$230.00
36 Months	153.00	130.00
60 Months	134.00	0.00
b. Interoffice Mileage		
1. Mileage, per Circuit		
<u>Fixed</u>		
Month-to-Month	62.30	
36 Months	49.80	
60 Months	43.60	
2. <u>Per Mile</u>		
Month-to-Month	18.70	
36 Months	14.90	
60 Months	13.10	

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
 France Telecom Corporate Solutions L.L.C.  
 2300 Corporate Park Drive, Mailstop SPO604  
 Herndon, VA 20171

---

SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

## 4.1 SERVICE OFFERINGS (CONT'D)

## 4.1.3 Local Dedicated Service (Cont'd)

## b. Recurring and Non-recurring Charges (Cont'd)

## 1. DS-1 Rate Elements (per circuit, per customer premises) (Cont'd)

## c. Extended Transport

Month-to-Month	53.00	120.00
36 Months	53.00	120.00
60 Months	53.00	120.00

## d. Extended Mileage

Month-to-Month	15.90
36 Months	15.90
60 Months	15.90

## 2. DS3 Rate Elements (per circuit, per customer premises)

## a. Channel Termination

Month-to-Month	\$1960.00	\$230.00
36 Months	1770.00	130.00
60 Months	1280.00	0.00

## b. Interoffice Mileage

## 1. Mileage, per Circuit

Fixed

Month-to-Month	843.00
36 Months	759.00
60 Months	548.00

2. Per Mile

Month-to-Month	124.00
36 Months	112.00
60 Months	80.80

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)****4.1 SERVICE OFFERINGS (CONT'D)****4.1.3 Local Dedicated Service (Cont'd)****b. Recurring and Non-recurring Charges (Cont'd)****2. DS3 Rate Elements (per circuit, per customer premises) (Cont'd)****c. Extended Transport**

Month-to-Month	717.00	120.00
36 Months	717.00	120.00
60 Months	717.00	120.00

**d. Extended Mileage**

Month-to-Month	105.00
36 Months	105.00
60 Months	105.00

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171



---

## SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

### 4.1 SERVICE OFFERINGS (CONT'D)

#### 4.1.4 Integrated Services Digital Network-Primary Rate Interface (ISDN-PRI)

##### a. Nature of Service

ISDN-PRI is a high speed end-to-end digital switched service that provides PBX and host computers access to switched services via an ISDN central office. The service can carry voice, data and video simultaneously. Traffic can be inward, outward or a combination of both. This is controlled by the Customer's CPE.

A standard service consists of up to twenty-three "B" bearer channels and one "D" delta channel at a total speed of 1.544 Mbps. The D channel is used for signaling and control the B channels. A D channel can be shared by multiple PRI services. The local channel may be a DS1 with clear channel capability.

##### 1. PRI Local Channel

- a. Provides a digital multi-channel transmission path between the central office and the customer's premises. The PRI Local Channel can be provisioned on a DS-3. The following options are available for PRI Local Channel:

- (1) A DS-1 connection between the central office and the Customer's premises; and

- (2) PRI Local Channel Advanced-T3L: A DS-1 connection between the central office and the customer's 'remises which is provisioned on a DS-3.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

### 4.1 SERVICE OFFERINGS (CONT'D)

#### 4.1.4 Integrated Services Digital Network-Primary Rate Interface (ISDN-PRI) (Cont'd)

##### a. Nature of Service (Cont'd)

##### 1. PRI Local Channel (Cont'd)

##### b. PRI Local Channel Termination

Provides Multiplexing to support up to 23 PRI B Channels at 64 Kbps and one PRI D Channel for signaling at 64 Kbps. One PRI Local Channel Term is required per PRI Local Channel. There is an optional PRI Local Channel Termination that has 23 PRI B Channels and one PRI Back Up D Channel.

##### c. ISDN-PRI Optional Service Components/Features

1. PRI Local Access Call by Call—This PRI Local Access option configures the B channels to support in-only and out only call flexibility predetermined by the customer's traffic flow.
2. PRI Local Access DID—This PRI Local Access option configures the B channels to support inward only traffic. Monthly recurring and non-recurring DID number charges per this Tariff, will apply additionally.
3. PRI Local Access Outward—This PRI Local Access option configures the B channels to support outward only traffic.
4. PRI Local Access DID 2 Way—This PRI Local Access option configures the B channels to support 2 way traffic. Monthly recurring and non-recurring DID number charges per this Tariff, will apply additionally.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

4.1 SERVICE OFFERINGS (CONT'D)

4.1.4 Integrated Services Digital Network-Primary Rate Interface (ISDN-PRI) (Cont'd)

a. Nature of Service (Cont'd)

1. PRI Local Channel (Cont'd)

c. ISDN-PRI Optional Service Components/Features (Cont'd)

5. PRI Local Data Channel 23B—This PRI Local Access option configures 23B channels on the T-1 facility for 2 way data and video traffic only.
6. PRI Local Data Channel 24B—This PRI Local Access option configures 24 B channels on the T-1 facility for 2-way data and video traffic only.
7. PRI Local Data Channel-24B—This PRI Local Access option configures 24B channels on the T-1 facility for 2 way data and video traffic only.
8. PRI Local Channel Termination—This PRI Local Channel Terminations options provides 23 B channels and a D channel.
9. PRI Local Channel Termination 24B—This PRI Local Channel Terminations option provides 24 B channels.
10. PRI Local Channel Termination 23 B+D—This PRI Local Channel Terminations option provides 23 B channels and a Back Up D channel.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 4 - SERVICES AND RATE STRUCTURE (CONT'D)

## 4.1 SERVICE OFFERINGS (CONT'D)

## 4.1.4 Integrated Services Digital Network-Primary Rate Interface (ISDN-PRI) (Cont'd)

## b. Recurring &amp; Non-recurring Charges

Service	Non-recurring Charges	Monthly Recurring Charges
PRI Local Channel	\$1,800	\$300
PRI Local Channel Advanced-T3	\$1,800	N/C
PRI Local Channel Termination	\$2,050	\$800
Pri Local Access Call-By-Call	\$200	\$150
PRI Local Access DID	\$200	\$150
PRI Local Access Outward	\$80	\$60
PRI Local Access DID 2-Way	\$200	\$150
PRI Local Data Channel-23B	\$2,550	\$1,200
PRI Local Data Channel-24B	\$2,700	\$1,200
PRI Local Channel Termination-24B	\$2,050	\$800
PRI Local Channel Termination-24B + D	\$2,050	\$800
PRI Local Channel Termination w/Backup D	\$2,050	\$800
PRI Service Change, Per Facility	\$100	N/C

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 5 - SUPPLEMENTAL SERVICES

[Reserved for Future Use]

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 6 - RESIDENTIAL NETWORK SWITCHED SERVICES

[Reserved for Future Use]

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 7 - SPECIAL SERVICES AND PROGRAMS****7.1 SCHOOLS AND LIBRARIES DISCOUNT PROGRAM****7.1.1 General**

The Schools and Libraries Discount Program permits eligible schools (public and private, grades Kindergarten through 12) and libraries to purchase the Company services offered in this Tariff at a discounted rate, in accordance with the Rules adopted by the FCC in its Universal Service Order 97-157, issued May 8, 1997. The Rules are codified at 47 Code of Federal Regulation (C.F.R.) 54.500 et. seq.

As indicated in the Rules, the discounts will be between 20 and 90 percent of the pre-discount price, which is the price of services to schools and libraries prior to application of a discount. The level of discount will be based on an eligible school's or library's level of economic disadvantage and by its location in either an urban or rural area. A school's level of economic disadvantage will be determined by the percentage of its students eligible for participation in the national school lunch program, and a library's level of economic disadvantage will be calculated on the basis of school lunch eligibility in the public school district in which the library is located. A non-public school may use either eligibility for the national school lunch program or other federally approved alternative measures to determine its level of economic disadvantage. To be eligible for the discount, schools and libraries will be required to comply with the terms and conditions set forth in the Rules. Discounts are available only to the extent that they are funded by the federal universal service fund. Schools and libraries may aggregate demand with other eligible entities to create a consortium.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 7 - SPECIAL SERVICES AND PROGRAMS (CONT'D)

7.1 SCHOOLS AND LIBRARIES DISCOUNT PROGRAM (CONT'D)

7.1.2 Regulations

a. Obligation of eligible schools and libraries

1. Requests for service

- a. Schools and libraries and consortia shall participate in a competitive bidding process for all services eligible for discounts, in accordance with any state and local procurement rules.
- b. Schools and libraries and consortia shall submit requests for services to the Schools and Libraries Division, as designated by the FCC, and follow established procedures.
- c. Services requested will be used for educational purposes.
- d. Services will not be sold, resold or transferred in consideration for money or any other thing of value.

b. Obligations of the Company

1. The Company will offer discounts to eligible schools and libraries on commercially available telecommunications services contained in this Tariff. Those services contained in this Tariff which are excluded from the discount program, in accordance with the Rules, are included as an attachment to this Tariff.
2. The Company will offer services to eligible schools, libraries and consortia at prices no higher than the lowest price it charges to similarly situated non-residential customers for similar services (lowest corresponding price).

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171



---

SECTION 7 - SPECIAL SERVICES AND PROGRAMS (CONT'D)

7.1 SCHOOLS AND LIBRARIES DISCOUNT PROGRAM (CONT'D)

7.1.2 Regulations (Cont'd)

b. Obligations of the Company (Cont'd)

3. In competitive bidding situations, the Company may offer flexible pricing or rates other than in this Tariff, where specific flexible pricing arrangements are allowed, subject to the South Carolina Public Service Commission approval.

7.1.3 Discounted Rates for Schools and Libraries

- a. Discounts for eligible schools and libraries and consortia shall be set as a percentage from the pre-discount price, which is the price of services to schools and libraries prior to application of a discount.
- b. The discount rate will be applied to eligible intrastate services purchased by eligible schools, libraries or consortia.
- c. The discount rate is based on each school's or library's level of economic disadvantage as determined in accordance with the FCC Order or other federally approved alternative measures (as permitted by the Rules) and by its location in either an urban or rural area.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 7 - SPECIAL SERVICES AND PROGRAMS (CONT'D)****7.1.4 Services Ineligible for Schools and Libraries Discount**

[Reserved for Future Use]

**7.1.5 Schools and Libraries Discount Matrix**

HOW DISADVANTAGED	% DISCOUNT LEVEL	
	URBAN DISCOUNT	RURAL DISCOUNT
% of students eligible for national school lunch program		
<1	20	25
1-19	40	50
20-34	50	60
35-49	60	70
50-74	80	80
75-100	90	90

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 8 - SPECIAL ARRANGEMENTS

### 8.1 CONTRACTS

At FTCS's option, service may be offered on an Individual Case Basis to meet specialized requirements of the Customer not contemplated in this Tariff. The terms of each contract shall be mutually agreed upon between the Customer and FTCS and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in FTCS's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, type of originating or terminating access, mixture of services or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering to the first contract Customer as specified in each individual contract.

### 8.2 PROMOTIONAL OFFERINGS

From time to time FTCS shall, at its option, promote subscription or stimulate network usage by offering to waive some or all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration. Such promotions shall be made available to all similarly situated Customers in the target market area(s).

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 9 - LOCAL CALLING AREAS

- 9.1 Company adopts the local calling and Exchange Areas defined in the tariffs of BellSouth and Verizon on file with the Commission.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 10 - EXPLANATION OF TERMS

Certain terms used throughout this Tariff for telecommunications services of the Company are defined below.

**Access Line:** A communications path, provided by a person other than the Company, on the customer side of Demarcation Point, which connects a Demarcation Point to another point.

**Advance Payment:** Part or all of a payment required before the start of service to Customer.

**Authorized User:** A person, firm or corporation which is authorized by the Customer or joint user to be connected to the service of the Customer or joint user, respectively. An authorized user must be specifically named in the application for service.

**Bit:** The smallest unit of information in the binary system of notation.

**BPS:** Bits per second.

**Call:** Telephonic communication originated by a person or mechanical or electrical device from a number to another number that is answered by a person or mechanical or electrical device. The numbers may be located any distance apart within South Carolina. Communication may consist of voice, data, a combination of both, or other transmission, may be by wire or wireless medium and may be for any duration of time. An attempted or incomplete Call is an unsuccessful attempt by a Customer to place a Call.

**Circuit:** A communications path provided by Company between two or more Demarcation Points, at a transmission speed agreed to between Company and Customer.

**Channel:** A communications path between two or more points of termination. Such termination points may be located anywhere in South Carolina. Communication may consist of voice, data, a combination of both, or other transmission and may be by a wire or wireless medium. Channel capacity may be any size and is typically measured in bits per second, with 1.5 megabits per second equal to one voice channel. Duration is typically of unlimited duration.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 10 - EXPLANATION OF TERMS (CONT'D)

**Company:** France Telecom Corporate Solutions L.L.C., the issuer of this Tariff.

**Company Terminal Location:** Any Demarcation Point where the Company maintains its facilities.

**Commission:** South Carolina Public Service Commission, the regulatory agency within the State of South Carolina.

**Customer:** The person, firm or corporation which orders service and is responsible for the payment of charges, compliance with the terms and conditions of this Tariff, and compliance with the laws of the State of South Carolina.

**Customer Premises:** A location occupied by Customer, or which Customer has the right to occupy, for the purposes of transmitting or receiving communications signals, and which is made available to Company for the maintenance and operation thereon or therein of a Company Terminal Location.

**Customer Terminal Equipment:** Terminal equipment provided by the Customer.

**Demarcation Point:** The point of interconnection of an Access Line or other connecting communications path or equipment provided by Customer or any person to company-provided equipment.

**Direct-Inward-Dialing (DID):** Special trunking arrangement which permits incoming calls from the exchange network to reach a specific PBX station directly without an attendant's assistance.

**Facilities:** Cables, wires, poles, conduits and other Company equipment that is used to provide service to Customers including wire center distribution frames and central office switching equipment.

**Fiber Optic Cable:** A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

**FTCS:** France Telecom Corporate Solutions L.L.C.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 10 - EXPLANATION OF TERMS (CONT'D)

---

**Individual Case Basis:** A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer and at the Company's sole discretion.

**LATA:** A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

**LEC:** Local Exchange Carrier refers to the dominant, incumbent local telephone company in the area also served by the Company, e.g., Bell Atlantic.

**Local Exchange, Local Exchange Area or Exchange Area:** A geographic area defined by the telephone industry through the use of maps or legal descriptions where one or more Local Exchange Carriers hold themselves out to provide communications services.

**Mbps:** Megabits per second, denotes millions of bits per second.

**Premises:** The space occupied by a Customer or authorized user in a building or buildings or contiguous property not separated by a public or quasi-public right of way.

**Recurring Charges:** The monthly charges to the Customer for services, facilities and equipment, which continues for the agreed upon duration of the service.

**Residential Service:** Telecommunications services used primarily as non-business service. Residential Service is not offered by the Company at this time.

**Service:** Any means of services offered herein by the Company or any combination thereof.

**Service Order:** The written request for Company services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order Form by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this Tariff.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

---

SECTION 10 - EXPLANATION OF TERMS (CONT'D)

**Shared:** A facility or equipment system or subsystem which can be used simultaneously by several Customers.

**Signaling:** Represents the type of signaling format utilized to maintain a T1 level digital transmission from the Central Office to the customer premise. Signaling options include: AMI, ESF, SF, B8ZF.

**Switch:** An electronic device that is used to provide circuit routing and control.

**Terminal Equipment:** Any telecommunications equipment other than the transmission or receiving equipment installed at a Company Terminal Location.

**Transmission Speed:** Transmission speed or rate, in bits per second (bps), as agreed to by Company and Customer for each circuit.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171



---

SECTION 11 - BILLING AND COLLECTION

[Reserved for Future Use.]

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

Issued by: Jean-Sebastien Falisse, Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive, Mailstop SPO604  
Herndon, VA 20171

**TITLE PAGE**

**FRANCE TELECOM CORPORATE SOLUTIONS L.L.C.**

**REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES  
APPLYING TO INTEREXCHANGE COMMUNICATIONS SERVICES WITHIN  
THE STATE OF SOUTH CAROLINA**

Applicable in South Carolina State

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**CHECK SHEET**

The Title Page and pages listed below of this Tariff are effective as of the date shown. Revised pages contain all changes from the original Tariff that are in effect as of the date indicated.

<u>Page</u> <u>No.</u>	<u>Number of</u> <u>Revision</u>	<u>Page</u> <u>No.</u>	<u>Number of</u> <u>Revision</u>	<u>Page</u> <u>No.</u>	<u>Number of</u> <u>Revision</u>	<u>Page</u> <u>No.</u>	<u>Number of</u> <u>Revision</u>
---------------------------	-------------------------------------	---------------------------	-------------------------------------	---------------------------	-------------------------------------	---------------------------	-------------------------------------

ALL PAGES ARE ORIGINAL.

\* New or Revised Page.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**TABLE OF CONTENTS**

---

TITLE PAGE .....	Cover
CHECK SHEET .....	2
TABLE OF CONTENTS .....	3
PRELIMINARY STATEMENT .....	4
APPLICABILITY .....	4
AVAILABILITY .....	4
EXPLANATION OF SYMBOLS .....	5
TARIFF FORMAT .....	4
SECTION 1 - DEFINITIONS .....	7
SECTION 2 - RULES AND REGULATIONS .....	13
SECTION 3 - SERVICE DESCRIPTIONS .....	41
SECTION 4 - RATES .....	51
SECTION 5 - SPECIAL PROMOTIONAL OFFERINGS .....	62
SECTION 6 - CONTRACT SERVICES .....	63
SECTION 7 - LEGISLATIVE, REGULATORY OR JUDICIAL ACTIVITY .....	64
SECTION 8 - SUBSCRIBER CHARGES .....	65

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**PRELIMINARY STATEMENT**

This Tariff sets forth rates and rules of France Telecom Corporate Solutions L.L.C. (the "Company") applicable to its provision of resold interexchange service within the State of South Carolina.

This Tariff sets forth the service offerings, rates, terms and conditions that apply to long distance telecommunications service provided by Company to business customers within the State of South Carolina. The Company does not provide residential long distance services at this time. This Tariff applies only for use of services provided by Company for communications between points within the State of South Carolina.

The rates and rules contained herein are subject to change pursuant to the rules and regulations of the Commission.

**APPLICABILITY**

This Tariff applies to interexchange telephone service between points in South Carolina. Such service is provided 24 hours per day, seven days per week. Service is offered using the facilities of the Company's underlying facilities-based carriers and may be offered in combination with resold services provided by other certificated carriers. Service is provided subject to the availability and economic feasibility of necessary service, equipment and facilities.

**AVAILABILITY**

The Company offers this service in the service areas in which it has been certified by the South Carolina Public Service Commission and in which the Company has available required network facilities or is able to lease required network facilities to enable the offering of local service. Only Customers which have also subscribed to Company's interstate and international services pursuant to an agreement with the Company are eligible to apply for the service offerings contained in this Tariff. Interstate and international services are subject to the jurisdiction of the Federal Communications Commission ("FCC").

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

## EXPLANATION OF SYMBOLS

- (C) To signify a changed regulation.
- (D) To signify discontinued material, including listing, rate, rule or condition.
- (I) To signify an increase in a rate.
- (M) To signify material relocated from or to another part of Tariff schedule with no change in text, rate, rule, or condition.
- (N) To signify new material including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but no change in rate, rule or condition.

## TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new Pages are occasionally added to the Tariff. When a new Page is added between Pages already in effect, a decimal point is added. For example, a new Page added between Pages 14 and 15 would be 14.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current Page version on file with the Commission. For example, the 4<sup>th</sup> revised Page 14 cancels the 3<sup>rd</sup> revised Page 14. Because of various suspension periods, deferrals, etc. the Commission follows in their Tariff approval process, the most current Page number on file with the Commission is not always the Tariff page in effect.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**TARIFF FORMAT (CONT'D)**

- C. Paragraph Numbering Sequence - There are six levels of paragraph coding. Each level is subservient to its next higher level:
- 1.
  - 1.1
  - 1.1.1
  - 1.1.1(a)
  - 1.1.1(a)1.
  - 1.1.1(a)1.(a)
  - 1.1.1(a)1.(a)(i)
- D. Check Sheets - When a Tariff filing is made with the Commission, an updated check Page accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 1 - DEFINITIONS**

**8XX Number** - A number beginning with 800, 888, 877 or 866.

**Access Line** - A communications path, provided by a person other than the Company on the customer side of the demarcation point, which connects a demarcation point to another point.

**Alternate Destination on Call Limiter** - Allows the Customer to specify the maximum number of simultaneous incoming calls allowed for a specific dialed number. As soon as the maximum number of simultaneous calls allowed is reached, calls are routed to the alternate destination predefined by the Customer. The Call Limiter can be defined per number or for a group of access numbers.

**Authorization** - The process of granting or denying access to a network resource.

**Authorization Code** - A pre-defined series of numbers to be dialed by the Customer or Authorized User upon access to the Carrier's Travel Service or Prepaid Calling Card network to identify the Caller and validate the Caller's authorization to use the services provided. The Customer is responsible for charges incurred through the use of his or her assigned Authorization Code.

**Authorized User** - A person, firm, corporation, or any other entity authorized by the Customer to utilize the Carrier's service under the terms and conditions of this Tariff. The Customer remains responsible for payment of services.

**Bit** - The smallest unit of information in the binary system of notation.

**BPS** - Bits per second.

**Call** - Telephonic communication originated by a person or mechanical or electrical device from a number to another number that is answered by a person or mechanical or electrical device. The numbers may be located any distance apart within South Carolina. Communication may consist of voice, data, a combination of both, or other transmission, may be by wire or wireless medium and may be for any duration of time. An attempted or incomplete Call is an unsuccessful attempt by a Customer to place a Call.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171



---

**SECTION 1 - DEFINITIONS (CONT'D)**

**Calling Card Call** - A service whereby the Customer or Authorized User dials all of the digits necessary to route and bill a call placed from a location other than his/her residence or normal place of business. Service is accessed *via* a "1-800" or other access code dialing sequence.

**Circuit** - A communications path provided by Company between two or more demarcation points, at a transmission speed agreed to between Company and Customer.

**Channel** - A communications path between two or more points of termination. Such termination points may be located anywhere in South Carolina. Communication may consist of voice, data, a combination of both, or other transmission and may be by a wire or wireless medium. Channel capacity may be any size and is typically measured in bits per second, with 1.5 megabits per second equal to one voice channel. Duration is typically of unlimited duration.

**Commission** - South Carolina Public Service Commission, the regulatory agency within the State of South Carolina.

**Committed Information Rate** - The Committed Information Rate ("CIR") is the amount of bandwidth that the Company agrees to make available to the Customer's Frame Relay Data Terminal Equipment through the Network enabling the transfer of data between any given Frame Relay Permanent Virtual Circuit ingress and egress points during normal network operational conditions. CIRs are provided on a per individual Data Link Channel basis.

**Company or Carrier** - FTCS unless otherwise clearly indicated by the context.

**Customer** - The person, firm or corporation which orders service and is responsible for the payment of charges, compliance with the terms and conditions of this Tariff, and compliance with the laws of the State of South Carolina.

**Customer Premises** - A location occupied by Customer, or which Customer has the right to occupy, for the purposes of transmitting or receiving communications signals, and which is made available to Company for the maintenance and operation thereon or therein of a Company terminal location.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

## SECTION 1 - DEFINITIONS (CONT'D)

**Customized Announcement** - Allows the Customer to play customized messages to callers according to pre-defined parameters such as time of day, day of week, or other routing features. The same message can be played in different languages. Once the customized announcement is read, the call is terminated.

**Dedicated** - A facility or equipment system or subsystem set aside for the sole use of a specific Customer.

**Demarcation Point** - The point of interconnection of an Access Line or other connecting communications path or equipment provided by Customer or any person to company-provided equipment.

**Dialed Number Identification** - Dialed Number Identification is translating each public number into a specific private number, with the global VPN enables the Customer to identify the dialed number and the originating location for each call and to route the call to the appropriate operator.

**Facilities** - Cables, wires, poles, conduits and other Company equipment that is used to provide service to Customers including wire center distribution frames and central office switching equipment.

**FTCS** - France Telecom Corporate Solutions L.L.C.

**Fiber Optic Cable** - A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

**Individual Case Basis** - A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer and at the Company's sole discretion.

**Initial** - The Initial Period denotes the interval of time allowed at the rate specified for a connection between given service points.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 1 - DEFINITIONS (CONT'D)**

**Integrated Services Digital Network** - The Integrated Services Digital Network ("ISDN") is a digital network that permits the switched interconnection of voice, data and video transmissions requiring differing capacities over common facilities.

**LATA** - A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

**Mbps** - Megabits per second, denotes millions of bits per second.

**MRC** - Monthly Recurring Charge.

**NXX** - The designation for the first three digits of a local telephone number where N represents 2-9 and X represents 0-9.

**Optimized Call Transfer** - Provides call re-direction upon customer request, with route optimization. It allows to transfer callers to other Customer sites in the most economical way, without occupying call center trunks throughout the duration of the transferred call.

**Permanent Virtual Circuit** - The Permanent Virtual Circuit ("PVC") is the logical connection from one port of a Frame Relay network to another port of the same Frame Relay network. The sizing of the PVC is determined by its CIR and its EIR.

**Port** - A facility or equipment system or subsystem set aside for the sole use of a specific Customer.

**Premises** - The space occupied by the Customer or Authorized User in a building or buildings or contiguous property not separated by a public or quasi-public right-of-way.

**QoS** - Quality of service levels.

**Recurring Charges** - The monthly charges to the Customer for services, facilities and equipment, which continues for the agreed upon duration of the service.

**Remote Queuing** - Allows the queuing of calls within the network in case of busy conditions at the call center. Limited Customer PBX/ACD resources are mobilized and the lowest price is charged for the time the calls have been queued.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 1 - DEFINITIONS (CONT'D)**

**Residential Service** - Telecommunications services used primarily as non-business service. Residential Service is not offered by the Company at this time.

**Routing on Menu Selection** - Routing on Menu Selection allows the Customer to screen calls within the network and route them according to the caller's needs. With this service, Customer call centers can implement call qualification at the network level or provide self-service for routine transactions, as a front-end application, or for overflow traffic.

**Service** - Any means of services offered herein by the Company or any combination thereof.

**Service Order** - The written request for Company services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order Form by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this Tariff.

**Shared** - A facility or equipment system or subsystem which can be used simultaneously by several Customers.

**Special Facilities** - Any facilities, goods, supplies, products, equipment, fixtures or other installation specifically installed or constructed for Customer by Company pursuant to a negotiated agreement between Company and Customer.

**Subscriber** - See Customer.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 1 - DEFINITIONS (CONT'D)**

**Tariff** - FTCS's S.C. P.S.C. Tariff No. 2.

**Terminal Equipment** - Any telecommunications equipment other than the transmission or receiving equipment installed at a Company Terminal Location.

**Time-Dependant Routing** - Allows the Customer to define a routing plan depending on date and time. The parameters are time of day, day of week, and day of year. The routing plan can be defined per dialed number or per terminating call center site.

**Transmission of Touch-Tone Signaling** - Transmission of Touch-Tone Signaling allows the Customer Interactive Voice Mail to accept touch-tone signaling from inbound callers to the Customer site.

**Transmission Speed** - Transmission speed or rate, in bits per second (bps), as agreed to by Company and Customer for each circuit.

**United States** - The forty-eight states contained within the mainland United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, the U.S. Virgin Islands, Guam and the Commonwealth of the Northern Mariana Islands.

**Virtual Private Network** - A Virtual Private Network ("VPN") is a switched network with special services such as abbreviated dialing, which allows customers to call between offices in different area codes without dialing all digits.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS**

---

**2.1 Undertaking of FTCS**

FTCS's services are furnished for interexchange communications originating and terminating within the State of South Carolina under the terms of this Tariff. FTCS's services are available twenty-four (24) hours per day, seven (7) days per week.

FTCS arranges for installation, operation and maintenance of the communications services provided in this Tariff for Customers in accordance with the terms and conditions set forth under this Tariff. FTCS may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to FTCS's network.

**2.2 Use**

Services provided under this Tariff may be used by the Customer for any lawful telecommunications purpose for which the service is technically suited.

**2.2.1** Any entity which uses, appropriates or secures the use of services from FTCS other than under the terms and conditions of this Tariff shall be liable for an amount equal to the accrued and unpaid charges for services received pursuant to this Tariff, plus all applicable court costs and attorneys fees.

**2.3 Limitations of Service, Equipment or Facilities**

**2.3.1** Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this Tariff. The Company may decline applications for Service to or from a location where the necessary facilities or equipment are not available. The Company may discontinue furnishing Service in accordance with the terms of this Tariff.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

## **SECTION 2 - RULES AND REGULATIONS (CONT'D)**

### **2.3 Limitations of Service, Equipment or Facilities (Cont'd)**

- 2.3.2** The Company reserves the right to discontinue or limit Service when necessitated by conditions beyond its control. Examples of these conditions are more fully set forth elsewhere in this Tariff or when Service is used in violation of the provisions of this Tariff or the law.
- 2.3.3** The Company does not undertake to generate content messages, but offers the use of its Service when available. As more fully set forth elsewhere in this Tariff, the Company shall not be liable for errors in transmission or for failure to establish connections.
- 2.3.4** The Company reserves the right to discontinue Service, limit Service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing Service, as determined by the Company in its reasonable judgment.
- 2.3.5** The furnishing of Service under this Tariff is subject to the availability on a continuing basis of all the necessary facilities and/or equipment are not available. FTCS may decline applications for service to or from a location where the necessary facilities or equipment are not available.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.3 Limitations of Service, Equipment or Facilities (Cont'd)**

- 2.3.6** FTCS reserves the right to deny service to any person or entity: (A) who, in FTCS's judgment, presents an undue risk of nonpayment, refuses to comply with the deposit requirements set forth in this Tariff, or does not pass a credit check; or (B) if FTCS believes that the person's or entity's use of the Service would violate the provisions of this Tariff or any applicable law or regulation, or if any applicable law or regulation restricts or prohibits provision of the Service to that person or entity; or (C) if FTCS determines in its sole discretion that facilities are not available to provide the Service; or (D) if FTCS determines in its sole discretion that any order for Service, letter of authorization and/or third party verification is not in conformance with any applicable law or regulation; or (E) the Service requested has been discontinued; or (F) if an order for the Service may be denied under the terms of any carrier, switched or independent sales representative agreement.
- 2.3.7** Service may be discontinued by FTCS, at any time and without notice to its Customers, by blocking traffic to or from certain cities, NXX exchanges, or individual telephone stations, by blocking call origination for FTCS's services, or by blocking calls using certain Customer Authorization Codes and/or access codes, when FTCS deems it necessary to take such action to prevent unlawful and/or unauthorized use of its services. In addition, FTCS may take any of the foregoing actions in the case of actual or anticipated non-payment for its service. In order to control fraud, FTCS may refuse to accept Calling Card, Collect Calling, and/or Third Party calls which it reasonably believes to be unauthorized or invalid and/or may limit the use of these billing options to or from certain areas within the State of South Carolina.
- 2.3.8** FTCS reserves the right to refuse to provide service to or from any location where it has not ordered access facilities, installed network interconnections, or the necessary facilities and/or equipment are not available, acceptable, or justifiable. FTCS also reserves the right to make changes to equipment, service components, and/or network configurations as may be required.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171



---

## **SECTION 2 - RULES AND REGULATIONS (CONT'D)**

### **2.3 Limitations of Service, Equipment or Facilities (Cont'd)**

**2.3.9** The provision of service will not create a partnership or joint venture between FTCS and the Customer nor result in joint service offerings to their respective authorized users.

#### **2.3.10 Use of Service Mark**

- (a) No Customer shall use any service mark or trademark of the Company or refer to Company in connection with any product, equipment promotion, or publication of the Customer without the prior written consent of the Company.

### **2.4 Location of Service**

**2.4.1** Originating Areas - areas in this state where service has been established by the Carrier.

**2.4.2** Terminating Areas - all areas of South Carolina State.

### **2.5 Assignment or Transfer**

All service provided under this Tariff is directly or indirectly controlled by FTCS and neither the Customer nor its Authorized Users may transfer or assign the use of service without the express prior written consent of FTCS. Such transfer or assignment shall only apply where there is no interruption of the use or location of service. All terms and conditions contained in this Tariff shall apply to all such permitted transferees or assignees.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.6 Liability**

- 2.6.1** The liability of FTCS for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of FTCS, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, maintaining, restoring, or changing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under this Tariff (calculated on a proportionate basis where appropriate) to the period during which such error, mistake, omission, interruption or delay occurs.
- 2.6.2** In no event shall FTCS or any of its affiliates be liable to Customer, its customers or any of their affiliates under this Tariff for any loss of profit or revenue or for any incidental, consequential, indirect, punitive or similar or additional damages incurred or suffered as a result of incorrect or defective transmissions, or any direct or indirect consequences thereof, while using the Services, performance, non-performance, termination, breach, or other action or inaction, on the part of FTCS, under this Tariff, even if Customer advises FTCS of the foreseeability, possibility, likelihood, probability or certainty of such loss or damage.
- 2.6.3** When the services or facilities of other entities are used separately or in conjunction with FTCS's facilities or equipment in establishing connection to points not reached by FTCS's facilities or equipment, FTCS shall not be liable for any act or omission of such other entities or their agents, servants or employees. FTCS shall not be liable for any act or omission of vendors supplying equipment to Customer nor for claims regarding the performance of such vendor supplied equipment.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)****2.6 Liability (Cont'd)**

**2.6.4** FTCS shall not be liable for any failure of performance hereunder if such failure is due to any cause or causes beyond its reasonable control as determined by FTCS. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, unavailability of rights-of-way or materials, or preemption of existing service to restore service in compliance with the decisions, rules, regulations and orders of the Commission or any other federal, international, state, or local governmental agency or authority.

**2.6.5** FTCS shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury whatsoever, caused by the Customer, the Customer's agents, or Authorized Users, or by facilities or equipment provided by the Customer. FTCS shall not be liable for any act or omission by any entity furnishing to the Company or to the customer facilities or equipment used for or with the services the Company offers. The Company shall not be liable for the claims of vendors supplying equipment to Customers of the Company which may be installed at the premises of the Company. The Company shall not be liable for the performance of said vendor or vendor's equipment.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.6 Liability (Cont'd)**

- 2.6.6** FTCS does not guarantee or make any warranty with respect to any equipment provided by it where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous, or otherwise unsuitable for such equipment. Customers and Authorized Users indemnify and hold FTCS harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any party or persons, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, whether owned by the Customer, Authorized User, or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of such equipment so used.
- 2.6.7** The Company is not liable for any defacement of or damage to the premises of a Customer or end-user (or authorized or joint user) resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of the gross negligence or willful misconduct on the part of the agents or employees of the Company.
- 2.6.8** The Company shall not be liable for any damages resulting from delays in meeting any service dates due to delays resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.
- 2.6.9** The Company shall not be liable for any damages whatsoever to property resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage is caused by the Company's willful misconduct or gross negligence.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.6 Liability (Cont'd)**

- 2.6.10** The Company shall not be liable for any damages whatsoever associated with service, facilities, or equipment which the Company does not furnish or for any act or omission of Customer or any other entity furnishing services, facilities or equipment used for or in conjunction with service.
- 2.6.11** THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.
- 2.6.12** The Customer and any authorized or joint users, jointly and severally, shall indemnify and hold the Company harmless from claims, loss, damage, expense (including attorney's fees and court costs), or liability for patent infringement arising from (1) combining with, or using in connection with facilities the Company furnished, facilities the Customer, authorized user, or joint user furnished, or (2) use of facilities the Company furnished in a manner the Company did not contemplate and over which the Company exercises no control and from all other claims, loss, damage, expense (including attorneys' fees and court costs), or (3) liability arising out of any commission or omission by the Customer, authorized user, or joint user in connection with the Service. In the event that any such infringing use is enjoined, the Customer, authorized user, or joint user, at its option and expense, shall obtain immediately a dismissal or stay of such injunction, obtain a license or other agreement so as to extinguish the claim of infringement, terminate the claimed infringing use, or modify such combination so as to avoid any such infringement. In addition and without limitation, the Customer, authorized user, or joint user, shall defend, on behalf of the Company and upon request by the Company, any suit brought or claim asserted against the Company for any such slander, libel, infringement, or other claims.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.6 Liability (Cont'd)**

- 2.6.13** The Company shall not incur any liability, direct or indirect, to any person who dials or attempts to dial the digits "9-1-1" or to any other person who may be affected by the dialing of the digits "9-1-1". Customer agrees to advise its users that as to Company's data services, the "9-1-1" emergency dialing does not connect to the local public safety answering point.

**2.7 Billing and Payment for Service****2.7.1 Application for Service**

- (a) Customers desiring to obtain Service must complete service application forms provided by Company. Company may require Customers or potential customers to provide information pertaining to their ability to pay for Service. Company may deny Service to Customers or potential customers which do not provide the requested information or who fail to meet Company's financial criteria. Only Customers which have subscribed to Company's interstate and international services pursuant to an agreement with the Company are eligible to apply for the service offerings contained in this Tariff.

**2.7.2 Cancellation of Application for Service:**

- (a) Where installation of Service has been started prior to the cancellation of an application for Service, a cancellation charge equal to the costs incurred by the Company may apply.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

**2.7 Billing and Payment for Service (Cont'd)**

**2.7.3 Cancellation of Service:**

- (a) The Customer may have service discontinued upon thirty (30) days written notice to the Company. The Company shall hold the Customer responsible for payment of all bills for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later. Upon early cancellation of a term agreement, the Customer agrees to pay Company for the balance due under the contract for the entire term of the agreement. Unless the Customer notifies Company at least thirty (30) days prior to the end of the initial term of the agreement, the agreement shall be automatically extended for a term equivalent to the initial term.

**2.7.4 Deposits**

The Company does not collect deposits or prepayments from Customers at this time.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.7.5 Payment of Charges**

- (a) The Company shall bill on a current basis all charges incurred by and credits due to the Customer. The Customer may receive its bill in: 1) a paper format, or 2) via electronic transmission. Such bills are due upon receipt regardless of the media utilized. The Company shall bill in advance charges for all services to be provided during the ensuing billing period except for charges associated with service usage. Adjustments for the quantities of Service established or discontinued in any billing period beyond the minimum period will be prorated to the number of days based on a 30-day month. The Company will, upon request and if available, furnish such detailed information as may reasonably be required for verification of the bill.
- (b) All bills for Service provided to the Customer by the Company are due 15 days from the bill date. If any portion of the payment is received by the Company after the payment due date as set forth above, or if any portion of the payment is received by the Company in funds which are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be a portion of the payment not received by the payment due date times a late factor. The late factor shall be 1.5% per month or 18% annually, or the highest rate allowed by law, whichever is the lesser. The late factor will be applied for the number of days from the payment due date to and including the date that the Customer actually makes the payment to the Company.
- (c) Customer shall be responsible for payment of all sales, use, gross receipts, excise, access, bypass or other local, state and Federal taxes, charges or surcharges, however designated, imposed on or based upon the provision, sale or use of the services rendered by Company. Such taxes and surcharges shall be separately stated on the Customer's bill.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171



---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)****2.7 Billing and Payment for Service (Cont'd)****2.7.5 Payment of Charges (Cont'd)**

- (d) When a check which has been presented to Company by a customer in payment for charges is returned by the bank, the customer shall be responsible for the payment of a Returned Check Charge of \$20.

**2.7.6 Non-Recurring Charges**

- (a) Non-recurring charges are payable when the service for which they are specified has been ordered. If an entity other than FTCS (*e.g.*, another carrier or supplier) imposes or will impose charges on FTCS in connection with an ordered service, those costs will also be charged to the Customer.

**2.7.7 Customer Overpayments**

- (a) Company will provide interest on customer overpayments that are not refunded within 30 days of the date Company receives the overpayment. An overpayment is considered to have occurred when payment in excess of the correct charges for service is made because of erroneous Company billing. The customer will be issued reimbursement for the overpayment, plus interest, or, if agreed to by the customer, credit for the amount will be provided on the next regular Company bill. The rate of interest shall be the greater of the customer deposit interest rate or Company's applicable late payment penalty.
- (b) Interest shall be paid from the date when overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment is refunded. The date when overpayment is considered to have been made will be the date on which the customer's overpayment was originally recorded to the customer's account by Company.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

**2.7 Billing and Payment for Service (Cont'd)**

**2.7.8 Disputed Bills**

- (a) In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Customer must submit a written documented claim for the disputed amount. The Customer must submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within thirty (30) days of receipt of billing for those services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.
- (b) Unless disputed, the invoice shall be deemed to be correct and payable in full by Customer. If the Customer is unable to resolve any dispute with the Company, then Customer may file a complaint with the South Carolina Public Service Commission, South Carolina Office of Regulator Staff's Consumer Services Department, P.O. Box 11263, Columbia, SC 29211, Tel. (803) 737-5230 or Tel. (800) 922-1531.
- (c) If the dispute is resolved in favor of the Customer, no interest credits or penalties will apply.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.8 Service Connections and Facilities on Customer's Premises**

- 2.8.1** All Service along the facilities between the point identified as the Company's origination point and the point identified as the Company's termination point will be furnished by the Company, its agents or contractors.
- 2.8.2** Customer shall allow Company continuous access and right-of-way to Customer's premises to the extent reasonably determined by the Company to be appropriate to the provision and maintenance of services, equipment, facilities and systems relating to this Tariff.
- 2.8.3** The Company may undertake to use reasonable efforts to make available services to a Customer, on or before a particular date subject to the provisions of and compliance by the Customer with the regulations contained in this Tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing Service to any Customer.
- 2.8.4** The Company undertakes to use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer, joint user, or authorized user may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise tamper with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- 2.8.5** Title to all facilities provided by Company, including Terminal Equipment, shall remain with the Company. The operating personnel and the electric power consumed by such equipment on the premises of the Customer shall be provided by and maintained at the expense of the Customer.
- 2.8.6** Equipment the Company provides or installs at the Customer's premises for use in connection with the Services the Company offers shall not be used for any purpose other than that for which the Company provided it.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.8 Service Connections and Facilities on Customer's Premises (Cont'd)**

**2.8.7** Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents imposed on Company-provided equipment and wiring by connection shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons.

**2.8.8** The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this Tariff and to the maintenance and operation of such facilities; subject to this responsibility, the Company shall not be responsible for:

- (a) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission of; or
- (b) the reception of signals by Customer-provided equipment.

**2.8.9** Company is solely responsible for operating Company-provided equipment. In the event that Customer attempts to operate any Company-provided equipment without first obtaining Company's written approval, in addition to any other remedies of Company for a breach by Customer of Customer's obligations hereunder, Customer shall pay Company for any damage to Company-provided equipment caused or related to Customer's improper operation of Company-provided equipment upon receipt by Customer of a Company invoice therefore. In no event shall Company be liable to Customer or any other person for interruption of the Service or for any other loss, cost or damage caused or related to Customer's improper use of Company-provided equipment.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)****2.8 Service Connections and Facilities on Customer's Premises (Cont'd)**

**2.8.10** Customer agrees to allow Company to remove all Company-provided equipment from Customer's premises:

- (a) upon termination, interruption or suspension of the Service in connection with which the equipment was used; and
- (b) for repair, replacement or otherwise as Company may determine is necessary or desirable.

**2.8.11** At the time of such removal, such equipment shall be in the same condition as when delivered to Customer or installed on Customer's premises, normal wear and tear only excepted. Customer shall reimburse Company for the unamortized cost of any such equipment in the event the foregoing conditions are not met.

**2.8.12** The Customer, authorized user, or joint user is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such Company equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company provided equipment and wiring or injury to the Company's employees or to other persons. In advance, Customer will submit to Company a complete manufacturer's specification sheet for each item of equipment that is not provided by the Company and which shall be attached to the Company's facilities. The Company shall approve the use of such item(s) of equipment unless such item is technically compatible with Company's facilities. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

**2.8 Service Connections and Facilities on Customer's Premises (Cont'd)**

**2.8.13** Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Service, and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

**2.9 Interconnection**

**2.9.1** Service furnished by FTCS may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to technical limitations established by FTCS. Service furnished by FTCS is not part of a joint undertaking with such other common carriers or systems. FTCS does not undertake to provide any special facilities, equipment, or services to enable the Customer to interconnect the facilities or the equipment of FTCS with services or facilities of other common carriers or with private systems.

**2.9.2** Interconnection with the services or facilities of other common carriers shall be under the applicable terms and conditions of this Tariff and the other common carrier's Tariffs.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.10 Inspection, Testing and Adjustment**

FTCS may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the terms and conditions of this Tariff are being complied with in the installation, operation or maintenance of the Customer's facilities or equipment. FTCS may interrupt service at any time, without penalty or liability, due to the departure from or reasonable suspicion of the departure from any of these terms and conditions.

**2.11 Credit Allowances for Interruption of Service**

Credit allowances for interruptions of service which are not due to FTCS's inspection or testing, to the negligence of the Customer, or the failure of channels, equipment and/or communications systems provided by the Customer, are subject to the general liability provisions set forth in this Tariff.

It shall be the obligation of the Customer to notify FTCS immediately of any interruption in service for which the Customer desires a credit allowance. Before giving such notice, the Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer.

For purposes of credit computation, every month shall be considered to have 30 days. The Customer shall be credited for an interruption of one day (24 hours) or more at the rate of 1/30<sup>th</sup> of the monthly charge for the services affected for each day that the interruption continues.

Credit Formula:

$$\text{Credit} = A/30 \times B$$

A = outage time in days

B = total monthly charge for affected service.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

## **SECTION 2 - RULES AND REGULATIONS (CONT'D)**

### **2.11 Credit Allowances for Interruption of Service (Cont'd)**

No credit allowances shall be made for:

Interruptions that are caused by the negligence of the Customer or others authorized by the Customer to use the Customer's service;

Interruptions that are due to the failure of power, equipment, systems, or services not provided by FTCS;

Interruptions during any period during which FTCS or its agents are not afforded access to the premises where Access Lines associated with the Customer's service are located;

Interruptions during any period when the Customer or user has released the service to FTCS for maintenance, rearrangement, or the implementation of a Customer order;

Interruptions during any period when the Customer or user has refused to release the service for testing or repair;

Interruptions during any period when the non-completion of calls is due to network busy conditions; or

Interruptions not promptly reported to the FTCS.

### **2.12 Obligations of the Customer**

**2.12.1** The Customer shall be responsible for:

- (a) The payment of all applicable charges as set forth in this Tariff.
- (b) Damage or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer, authorized user, or joint user or the non-compliance by the Customer, authorized user, or joint user with these regulations; or by fire or theft or other casualty on the premises of the Customer, authorized user, or joint user unless caused by the negligence or willful misconduct of the employees or agents of the Company.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171



---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.12 Obligations of the Customer (Cont'd)****2.12.1 The Customer shall be responsible for (Cont'd):**

- (c) Providing as specified from time to time by the Company any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, authorized user, or joint user and the level of power, heating and air conditioning necessary to maintain the proper environment on such premises.
- (d) Obtaining, maintaining, and otherwise having full responsibility for rights of way and conduit necessary for installation of fiber optic cable and associated equipment to provide Service to the Customer, authorized user or joint user from the cable building entrance or the property line of the land on which the structure wherein any termination point or origination point used by the Customer, authorized user or joint user is placed or located, whichever is applicable, through the point of entry into the structure, throughout the structure, to the location of the equipment space. Any and all costs associated with the obtaining and maintaining of the rights of way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for Service.
- (e) Providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury to Company employees or property might result from installation or maintenance by the Company.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

**2.12 Obligations of the Customer (Cont'd)**

**2.12.1 The Customer shall be responsible for (Cont'd):**

- (f) Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights of way for which the Customer is responsible and obtaining permission for Company agents or employees to enter the premises of the Customer, authorized user, or joint user at any reasonable hour for the purpose of installing, inspecting, repairing, or upon termination of Service as stated herein, removing the facilities or equipment of the Company.
- (g) Making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which Service is interrupted for such purposes.
- (h) Keeping the Company's equipment and facilities located on the Customer's premises of rights of way obtained by the Customer free and clear of any liens or encumbrances relating to the Customer's use of the Company's services or from the locations of such equipment and facilities.
- (i) Customer provided terminal equipment on the premises of the Customer, authorized user, or joint user, the operating personnel there, and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer, authorized user, or joint user. Conformance of Customer provided station equipment with Part 68 of the FCC Rules is the responsibility of the Customer.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

**2.12 Obligations of the Customer (Cont'd)**

**2.12.1 The Customer shall be responsible for (Cont'd):**

- (j) The Customer, authorized user, or joint user is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

**2.13 Refusal or Discontinuance by the Company**

- 2.13.1** The Company, by written notice to the Customer and in accordance with applicable law, may discontinue Service or cancel an application for Service without incurring any liability when there is an unpaid balance for Service that is overdue and not disputed.
- 2.13.2** The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, shall be subject to discontinuance of Service in the same manner as provided for nonpayment of overdue charges.
- 2.13.3** The Customer shall be subject to discontinuance of Service, without notice, for any violation of any law, rule, regulation or policy of any government authority having jurisdiction over Service, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such Service, or for any violation of any of the provisions governing the furnishing of Service under this Tariff.
- 2.13.4** The Company may immediately discontinue service to any Customer, without notice, in order to protect against fraud or to otherwise protect Company personnel, agents, facilities, or services.
- 2.13.5** The Customer shall be subject to discontinuance of Service, without notice, for the Company to comply with any order or request of any governmental authority having jurisdiction.
- 2.13.6** If any Customer files for bankruptcy or reorganization or fails to discharge an involuntary petition therefor within the time permitted by law, the Company may immediately discontinue or suspend Service under this Tariff without incurring any liability.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.13 Refusal or Discontinuance by the Company (Cont'd)**

**2.13.7** Upon the Company's discontinuance of Services to the Customer, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff, may declare all future monthly and other charges which would have been payable by the Customer under this Tariff during the remainder of the minimum term for which such Services would have otherwise been provided to the Customer to be immediately due and payable.

**2.13.8** If Service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, Service shall, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected and the Customer pays a deposit in advance at Company's discretion. Non-recurring charges apply to restored Services.

**2.13.9** Any notice the Company may give to a Customer shall be deemed properly given when delivered, if delivered in person, or when deposited with the U.S. Postal Service, addressed to the Customer's billing address or to such address as may be subsequently given by Customer to the Company.

**2.13.10** Except for cancellation of Service or as otherwise provided by these rules, any notice from any Customer may be given by the Customer or any authorized representative to the Company's business office orally or by written notice mailed to the Company's business address. Cancellation of Service must be by written notice.

**2.14 Restoration of Service**

If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, service shall, at FTCS's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

**2.15 Schools and Libraries Discount Program**

**2.15.1 General**

The Schools and Libraries Discount Program permits eligible schools (public and private, grades Kindergarten through 12) and libraries to purchase FTCS services offered in this Tariff at a discounted rate, in accordance with the Rules adopted by the FCC in its Universal Service Order 97-157, issued May 8, 1997. The Rules are codified at 47 Code of Federal Regulation (C.F.R.) 54.500 *et. seq.*

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)****2.15 Schools and Libraries Discount Program (Cont'd)****2.15.1 General (Cont'd)**

As indicated in the Rules, the discounts will be between twenty (20) and ninety (90) percent of the pre-discount price, which is the price of services to schools and libraries prior to application of a discount. The level of discount will be based on an eligible school or library's level of economic disadvantage and by its location in either an urban or rural area. A school's level of economic disadvantage will be determined by the percentage of its students eligible for participation in the national school lunch program, and a library's level of economic disadvantage will be calculated on the basis of school lunch eligibility in the public school district in which the library is located. A non-public school may use either eligibility for the national school lunch program or other federally approved alternative measures to determine its level of economic disadvantage. To be eligible for the discount, schools and libraries will be required to comply with the terms and conditions set forth in the rules.

Discounts are available only to the extent that they are funded by the federal universal service fund. Schools and libraries may aggregate demand with other eligible entities to create a consortium.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

## **SECTION 2 - RULES AND REGULATIONS (CONT'D)**

### **2.15 Schools and Libraries Discount Program (Cont'd)**

#### **2.15.2 Regulations**

- (a) Obligation of eligible schools and libraries:
  - 1. Requests for service:
    - (a) Schools and libraries and consortia shall participate in a competitive bidding process for all services eligible for discounts, in accordance with any state and local procurement rules.
      - (i) Schools and libraries and consortia shall submit requests for services to the Schools and Libraries Division, as designated by the FCC, and follow established procedures.
      - (ii) Services requested will be used for educational purposes.
      - (iii) Services will not be sold, resold or transferred in consideration for money or any other thing of value.
  - (b) Obligations of FTCS:
    - 1. FTCS will offer discounts to eligible schools and libraries on commercially available telecommunications services contained in this Tariff.
    - 2. FTCS will offer services to eligible schools, libraries and consortia at prices no higher than the lowest price it charges to similarly situated non-residential customers for similar services (lowest corresponding price).
    - 3. In competitive bidding situations, FTCS may offer flexible pricing or rates other than in this Tariff, where specific flexible pricing arrangements are allowed.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171



---

**SECTION 2 - RULES AND REGULATIONS (CONT'D)**

---

**2.15 Schools and Libraries Discount Program (Cont'd)****2.15.3 Discounted Rates for Schools and Libraries**

- (a) Discounts for eligible schools and libraries and consortia shall be set as a percentage from the pre-discount price, which is the price of services to schools and libraries prior to application of a discount.
- (b) The discount rate will be applied to all commercially available telecommunications services purchased by eligible schools, libraries or consortia.
- (c) The discount rate is based on each school or library's level of economic disadvantage as determined in accordance with the FCC's Rules and by its location in either urban or rural area.
- (d) The discount matrix for eligible schools, libraries and consortia are as follows:

% Of Students Eligible For National School Lunch Program	% Of U.S. Schools	Urban Discount	Rural Discount
< 1%	3%	20%	25%
1% - 19%	31%	40%	50%
20% - 34%	19%	50%	60%
35% - 49%	15%	60%	70%
50% - 74%	16%	80%	80%
75% - 100%	16%	90%	90%

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS**

---

**3.1 General**

FTCS offers intrastate interexchange telecommunications services on a resold only basis for communications originating and terminating within the State of South Carolina under terms of this Tariff.

Customers are billed based on their use of FTCS's services. Charges may vary by service offering, mileage band, class of call, time of day, day of week, and/or call duration.

**3.2 Timing of Calls**

Billing for calls is based in part on the duration of the call as follows, unless otherwise specified in this Tariff:

- 3.2.1** Call timing begins when the called party answers the call (*i.e.*, when two-way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.
- 3.2.2** Chargeable time for calls ends when one of the parties disconnects from the call.
- 3.2.3** For billing purposes, the minimum call duration periods vary by service and are specific by product or option in subsequent sections of this Tariff.
- 3.2.4** For billing purposes, usage after the initial period varies by service and is specified by product or option in subsequent sections of this Tariff.
- 3.2.5** FTCS will not bill for unanswered calls. When a Customer indicates that he/she was billed for an incomplete call, FTCS will reasonably issue credit for the call.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)**

---

**3.3 Rate Periods**

- 3.3.1** Unless otherwise specified, all usage charges are applicable twenty-four (24) hours per day, seven (7) days a week.
- 3.3.2** For services subject to holiday discounts, the following are Company-recognized national holidays, determined by the location of the calling station: New Year's Day, Memorial Day, Independence Day, Thanksgiving Day, and Christmas Day.
- 3.3.3** Calls are billed based on the rate in effect at the time the call begins. Calls that cross rate period boundaries are billed the rate in effect at the beginning of the call for the duration of the entire call.

**3.4 Long Distance Interexchange Services****3.4.1 Nature of Service**

Carrier offers resold long distance interexchange telephone services that allow customers to originate and terminate calls at locations within the State of South Carolina. Usage charges are generally based on the distance, duration, and time of day of each call, or may be based on monthly volume of usage. The service is offered in two variations depending upon the method employed to gain access to the Company's underlying carrier's network for use of the service:

- (a) Switched Interexchange Service is offered in Feature Group D (FGD) exchanges where the Customer's local telephone lines are presubscribed by the local exchange company to the Company's Interexchange Service, such that "1+" interLATA calls are automatically routed to the Company's underlying carrier's network.
- (b) Dedicated Interexchange Service is offered to the extent facilities are available in those cases where the Company and the Customer jointly arrange for the establishment of dedicated access facilities connecting the Customer's trunk-compatible PBX or other suitable equipment to the Company's underlying carrier's POP. The Customer shall be responsible for all costs and charges associated with the dedicated access facilities.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)****3.5 Virtual Private Network Service****3.5.1 Nature of Services**

The Voice Virtual Private Network ("VPN") service provides the Customer the functionality and capabilities of a private network through the use of shared and/or dedicated transmission facilities. This service permits the Customer to establish a communications path between two Customer locations.

(a) On Net - On Net

The following features shall be available:

1. Private numbering plan;
2. Call Line Identification ("CLI"), in order to get the appearance of an alphanumeric message including name of the calling Customer site and the last digits of the caller's extension;
3. User access code, in order to identify, monitor and authorize the use of tolled services;
4. Intrastate toll free and toll shared services, for inbound communications to Customer call centers; and
5. Call rerouting to an alternate Customer site.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)**

**3.5 Virtual Private Network Service (Cont'd)**

**3.5.1 Nature of Services (Cont'd)**

(b) Virtual On Net (VPN)

The following features shall be available:

1. Private numbering plan;
2. Call Line Identification ("CLID"), in order to get the appearance of an alphanumeric message including name of the calling Customer site and the last digits of the caller's extension;
3. User access code, in order to identify, monitor and authorize the use of tolled services;
4. Intrastate toll free and toll shared services, for inbound communications to Customer call centers;
5. Call rerouting to an alternate Customer site;
6. On Net - Off Net;
7. Off Net - On Net; and
8. Off Net - Off Net.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)****3.6 800 Services****3.6.1 Nature of Services**

Carrier 800 services are inward WATS services that permit intrastate calls to a Customer call center in one location from stations in diverse geographical locations, and for which the customer is billed for the calls rather than the call's originator. In addition, Customers may also order Originating ANI Sorting, which provides the Customer with a detailed monthly analysis of the originating telephone numbers of those placing 800 calls.

(a) Routing Features:

1. Alternate Destination on Call Limiter;
2. Time-Dependent Routing;
3. Optimized Call Transfer;
4. NIVR Services;
5. Remote Queuing;
6. Customized Announcement; and
7. Routing on Menu Selection.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)**

**3.6 800 Services (Cont'd)**

**3.6.1 Nature of Services (Cont'd)**

(b) Termination features:

1. Call Line Identification;
2. Dialed Number Identification; and
3. Transmission of Touch-Tone Signaling.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)**

---

**3.7 Frame Relay Services****3.7.1 Nature of Services**

Frame Relay is a public, fast-packet data network service offering which offers a cost-effective alternative to meshed private line networks. It employs a form of packet switching analogous to a streamlined version of X.25 networks. The packets are in the form of "frames," which are variable in length, with the payload being anywhere between 0 and 4,096 octets. Frame Relay supports a variety of simultaneous data applications over a single integrated facility (such as data, voice and video). Frame Relay adheres to established ITU-T frame relay standards.

Access to Frame Relay is available only over a dedicated, digital access circuit (that typically is 56/64 Kbps, DS-1 or DS-3).

Transmission of frames between the user sites is on the basis of Permanent Virtual Circuits (PVCs), which are pre-determined paths specifically defined in the Frame Relay routing logic.

The Company will provide a Frame Relay data transport service to Customer, in order to support the communications needs across customer sites. The service meets the following characteristics:

1. Compliance with international standards (ANSI Forum);
2. Access leased lines speed ranging from 64 Kbps to 2 Mbps (For higher speed, ATM can be used instead of Frame Relay (after a technical feasibility study);
3. Physical interfaces V35, X.21 and G703/704;
4. Committed Information Rate ("CIR");

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171



---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)**

**3.7 Frame Relay Services (Cont'd)**

**3.7.1 Nature of Services (Cont'd)**

5. Permanent availability of the CIR;
6. Use of the LMIs (Local Management Interface) on DLCIs 0 and 1023;
7. Detection and handling of congestion issues, in compliance with ANSI T1.606 standard;
8. Bi-directional Frame Relay PVCs, with the same CIR in both directions;
9. Asymmetric PVCs;
10. Switched Virtual Circuit; and
11. End-to-end ISDN backup, which shall be activated only in the event of local loop or PVC failure.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)****3.8 Private Line Service****3.8.1 Nature of Services**

Private Line Service is provided via DS-1 or DS-3 facility. The DS-1 service is a digital transmission facility of 1.544 Mbps with a capacity of up to 24 analog or digital channels. This service supports voice, analog data, digital data and video. The DS-3 service is a digital transmission facility of 44.736 Mbps with a capacity of up to 28 DS-1 channels or 672 voice, analog data, or digital data channels.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 3 - SERVICE DESCRIPTIONS (CONT'D)****3.9 Calling Card Service****3.9.1 Nature of Services**

Calling Card Service is designed for Customers who travel or make long distance calls away from their primary service location. Access to the service is gained by dialing a toll free "800" number plus a seven or eleven digit access code plus the called number. In addition, the Company may pass through and bill Customer-initiated charges made to calling cards billed by local exchange carriers for Customers under the other carriers' names.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES**

---

**4.1 Long Distance Interexchange Services****4.1.1 Switched Interexchange Service****(a) Recurring Charges****1. IntraLATA Per Minute Rates:**

<b>Volume Commitment</b>	<b>Term Commitment</b>		
	Month to Month	One Year	Two Years
10,000 + Minutes of Use	\$0.15	\$0.10	\$0.095

**2. InterLATA Per Minute Rates:**

<b>Volume Commitment</b>	<b>Term Commitment</b>		
	Month to Month	One Year	Two Years
10,000 + Minutes of Use	\$0.15	\$0.10	\$0.095

**(b) Non-Recurring Charges****1. Early Termination Charge**

If a Customer terminates service prior to the expiration of the term of the contract, the Customer will be required to pay the early termination charge in accordance with the Customer's contract for service.

**2. Third Party Vendor Charges**

Customers may also be charged for certain charges incurred by Carrier (at the Customer's instruction) in obtaining services from third party vendors.

At the earliest opportunity, the Customer will be advised of the nature of the charges and the estimated amount of the charges.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)****4.1 Long Distance Interexchange Services (Cont'd)****4.1.1 Switched Interexchange Service (Cont'd)****(b) Non-Recurring Charges (Cont'd)**

3. Reconnect Fee: \$50 for first two lines.

This charge applies to reconnect service after dial tone has been suspended or service has been disconnected.

**4.1.2 Dedicated Interexchange Service****(a) Recurring Charges**

<b>Term</b>	<b>Per Minute Rates</b>
0-1 Year	\$0.11
2 Years	\$0.105
3 or more Years	\$0.100

**(b) Non-recurring Charges**

1. Early Termination Charge

If a Customer terminates service prior to the expiration of the term of the contract, the Customer will be required to pay the early termination charge in accordance with the Customer's contract for service.

2. Third Party Vendor Charges

Customers may also be charged for certain charges incurred by Carrier (at the Customer's instruction) in obtaining services from third party vendors. At the earliest opportunity, the Customer will be advised of the nature of the charges and the estimated amount of the charges.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)****4.1 Long Distance Interexchange Services (Cont'd)****4.1.2 Dedicated Interexchange Service (Cont'd)****(b) Non-recurring Charges (Cont'd)**

3. Reconnect Fee: \$50 for first two lines.

This charge applies to reconnect service after dial tone has been suspended or service has been disconnected.

**4.2 Virtual Private Network Service****4.2.1 Recurring Charges**

- (a) The following per minute rates apply to all virtual private network switched and dedicated calls as specified below:

Service	InterLATA	IntraLATA
On-Net - On-Net	\$0.04	\$0.04
Virtual On Net	\$0.04	\$0.04
On Net - Off Net	\$0.10	\$0.10
Off Net - On Net	\$0.10	\$0.10
Off Net - Off Net	\$0.15	\$0.15

- (b) Other Recurring Charges:

Remote Access	\$0.50 per call
Personal Codes (per account)	\$40 per month
Remote Access per 8XX	\$2 per month

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)**

---

**4.2 Virtual Private Network Service (Cont'd)****4.2.2 Non-recurring Charges**

Set Up Charge	\$10,000
Switched Access Line Group charge (applies to each Company VPN location with switched access)	\$100 per location
Switched overflow	\$50

**4.3 800 Services****4.3.1 Recurring Charges**

- (a) A monthly recurring charge applies per assigned toll-free number.  
Monthly Recurring Charge: \$12
- (b) Per Minute Usage Rates:

<b>Volume Commitment</b>	<b>Term Commitment</b>		
10,000 + Minutes of Use	Month to Month	One Year	Two Years
	\$0.15	\$0.10	\$0.095

**4.3.2 Non-recurring Charges**

- (a) Area Code Blocking: \$150

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)**
**4.4 Frame Relay Services****4.4.1 Recurring and Non-recurring Charges**

<u>Port Increment in Kbps</u>	<u>Monthly Recurring Charge/Port</u>	<u>Install Charge/Port</u>	<u>Change Charge/Port</u>
64	\$190	\$150	\$150
128	\$355	\$250	\$250
192	\$395	\$250	\$250
256	\$420	\$250	\$250
320	\$580	\$250	\$250
384	\$625	\$250	\$250
448	\$720	\$250	\$250
512	\$790	\$250	\$250
576	\$890	\$250	\$250
640	\$940	\$250	\$250
704	\$970	\$250	\$250
768	\$990	\$250	\$250
832	\$1,110	\$250	\$250
896	\$1,180	\$250	\$250
960	\$1,220	\$250	\$250
1020	\$1,265	\$250	\$250
1088	\$1,330	\$250	\$250
1152	\$1,370	\$250	\$250
1216	\$1,410	\$250	\$250
1280	\$1,450	\$250	\$250
1344	\$1,500	\$250	\$250
1408	\$1,530	\$250	\$250
1472	\$1,560	\$250	\$250
1536	\$1,595	\$250	\$250
45000	\$3,190	\$500	\$500

---

 Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
 Treasurer  
 France Telecom Corporate Solutions L.L.C.  
 2300 Corporate Park Drive  
 Mailstop SPO604  
 Herndon, VA 20171



---

**SECTION 4 - RATES (CONT'D)**
**4.4 Frame Relay Services (Cont'd)****4.4.1 Recurring and Non-recurring Charges (Cont'd)****Permanent Virtual Circuits\***

<u>QoS</u>	<u>MRC per 8K Simplex of CIR</u>	<u>Install/Change Fees/PVC</u>
VFR rt	\$8	\$25
VFR nrt	\$6	\$25
UFR	\$4	\$25

**Switched Virtual Circuits\*\***

<u>QoS</u>	<u>Per megabyte (MB) of traffic under CIR</u>	<u>Per megabyte (MB) of DE traffic</u>
VFR nrt	\$0.04	\$0.03

Gateway Connection

Customer's must subscribe to access to a particular Gateway Connection on a monthly basis in capacity increments (available in n x 64 or n x 56 increments up to DS-1 capacity) equal to or in excess of the sum of all simplex CIRs on all customer PVCs connecting to such Gateway Connection ("Total Gateway CIR"). PVC charges are additional as set forth below:

---

\* Charges apply to each PVC between: (1) two customer Ports; (2) Customer Port and Gateway Connection; and (3) two distinct Gateway Connections.

\*\* Metered charges are for MB of payload transmitted and accepted at ingress.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)**
**4.4 Frame Relay Services (Cont'd)****4.4.1 Recurring and Non-recurring Charges (Cont'd)**

<u>Total Gateway CIR in Kbps</u>	<u>Recurring Charge/Port</u>	<u>Total Gateway CIR in Kbps</u>	<u>Recurring Charge/Port</u>
64	\$150	896	\$1,955
128	\$295	960	\$2,090
192	\$435	1020	\$2,220
256	\$570	1088	\$2,345
320	\$715	1152	\$2,465
384	\$855	1216	\$2,580
448	\$990	1280	\$2,725
512	\$1,120	1344	\$2,865
576	\$1,265	1408	\$3,000
640	\$1,405	1472	\$3,130
704	\$1,540	1536*	\$3,255
768	\$1,670	above 1536*	ICB
832	\$1,815		

	<u>Monthly Recurring</u>	<u>Install Fees</u>	<u>Change Fees</u>
Automatic Reconfiguration**	\$250	\$250	\$250
Authority	\$1,000	\$2,000	\$500

---

\* Install Charge of \$500 applies for each DS-1 level (1536 Kbps) or fraction thereof of Total Gateway CIR.

\*\* Per disaster recovery site.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)**

**4.5 Private Line Service**

**4.5.1 Recurring and Nonrecurring Charges**

(a) DS-1 Transport Rates

Minimum Monthly Revenue Commitment: \$500

1. Recurring

Channel Mileage - Monthly Recurring Charge per DS0 Mile: \$0.20

2. Non-Recurring

Installation: \$1,000

Cancellation prior to install: \$200

Cancellation during install, prior to acceptance: \$600

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)**

**4.5 Private Line Service (Cont'd)**

**4.5.1 Recurring and Nonrecurring Charges (Cont'd)**

(b) DS-2 Transport Rates

Minimum Monthly Revenue Commitment: \$4,000

1. Recurring

Channel Mileage - Monthly Recurring Charge per DS0 Mile: \$0.08

2. Non-Recurring

Installation: \$4,000

Cancellation prior to install: \$200

Cancellation during install, prior to acceptance: \$600

(c) OC-3 Transport Rates

Minimum Monthly Revenue Commitment: \$100,000

1. Recurring

Channel Mileage - Monthly Recurring Charge per DS0 Mile: \$0.014

2. Non-Recurring

Installation: \$10,000

Cancellation prior to install: \$300

Cancellation during install, prior to acceptance: \$1,200

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)**

**4.5 Private Line Service (Cont'd)**

**4.5.1 Recurring and Nonrecurring Charges (Cont'd)**

(d) OC-12 Transport Rates

Minimum Monthly Revenue Commitment: \$100,000

1. Recurring

Channel Mileage - Monthly Recurring Charge per DS0 Mile: \$0.018

2. Non-Recurring

Installation: \$20,000

Cancellation prior to install: \$300

Cancellation during install, prior to acceptance: \$1,200

(e) OC-48 Transport Rates

Minimum Monthly Revenue Commitment: \$100,000

1. Recurring

Channel Mileage - Monthly Recurring Charge per DS0 Mile: \$0.016

2. Non-Recurring

Installation: \$30,000

Cancellation prior to install: \$300

Cancellation during install, prior to acceptance: \$1,200

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 4 - RATES (CONT'D)**

**4.6 Calling Card Services**

**4.6.1 Recurring Charges**

Per minute rate: \$0.25

Monthly advanced features charge: \$5 (per feature)

Surcharge: \$0.80 per call

Monthly Account Maintenance Charge: \$.50

**4.6.2 Non-recurring Charges**

Advanced features set up charge: \$10 (per feature)

Pay Telephone Surcharge: \$.30 per each call originated from a pay telephone.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

## **SECTION 5 - SPECIAL PROMOTIONAL OFFERINGS**

### **5.1 General**

From time to time FTCS shall, at its option, promote subscription or stimulate network usage by offering to waive some or all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration. Such promotions shall be made available to all similarly situated Customers in the target market area(s).

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 6 - CONTRACT SERVICES****6.1 General**

At FTCS's option, service may be offered on an Individual Case Basis to meet specialized requirements of the Customer not contemplated in this Tariff. The terms of each contract shall be mutually agreed upon between the Customer and FTCS and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in FTCS's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, type of originating or terminating access, mixture of services or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering to the first contract Customer as specified in each individual contract.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171



---

**SECTION 7 - LEGISLATIVE, REGULATORY OR JUDICIAL ACTIVITY**

Notwithstanding any statement to the contrary contained in this Tariff, in the event that any regulatory agency, legislative body or court of competent jurisdiction promulgates regulations or modifies existing ones including, without limitation, regulations regarding payphone compensation, access charges and/or universal service ("Regulatory Activity"), FTCS reserves the right, at any time and without notice to: (i) pass through to the Customer all, or a portion of, any charges or surcharges directly or indirectly related to such Regulatory Activity; or (ii) modify the rates, including any rate guarantees, and/or terms and conditions contained in this Tariff to reflect the impact of such Regulatory Activity.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

---

**SECTION 8 - SUBSCRIBER CHARGES****Payphone Use Charge**

A \$.30 per call charge will apply to calls that originate from any payphone used to access FTCS services. This charge, which is in addition to standard Tariffed usage charges and any applicable surcharges associated with FTCS service, applies for the use of the instrument used to access FTCS service and is unrelated to the FTCS service accessed from the payphone. Customers will be charged the payphone use charge for each call which is placed from payphones with the exception of: (i) calls placed by inserting coins during the progress of the call; (ii) calls using Telecommunications Relay Service; or (iii) calls originated by customers with qualified speech or hearing impairments who are certified.

---

Issued: \_\_\_\_\_, 2004

Effective: \_\_\_\_\_, 2004

By: Jean-Sebastien Falisse  
Treasurer  
France Telecom Corporate Solutions L.L.C.  
2300 Corporate Park Drive  
Mailstop SPO604  
Herndon, VA 20171

**EXHIBIT "D"**

**MANAGEMENT PROFILE OF APPLICANT**

**France Telecom Corporate Solutions L.L.C.**  
**Demonstration of Technical and Managerial Capability**

The Members of the senior management team responsible for the operations of the Applicant have extensive experience in the telecommunications industry and highly-qualified technical staff has been assigned to work with Applicant will ensure that Applicant's operations will meet the most demanding standards for service quality and reliability.

As demonstrated by the attached resumes, Applicant has assembled an outstanding and experienced team of industry professionals to achieve its mission of market leadership. The founding members of the executive and technical teams have held key technical, marketing and financial positions at leading communications companies, including France Telecom, Equant and Global One.

Therefore, Applicant clearly possessed the requisite managerial and technical capability to provide intrastate telecommunications services in the State.

**Bernard Perrillon**  
**Vice President**  
**France Telecom Integration and Outsourcing Business Unit**  
**France Telecom, SA**

Bernard Perrillon was named Vice President of Integration and Outsourcing Business Unit of France Telecom Group in October 2001. He is in charge of Finance, quality control and integration services. The Business Unit in charge of Integration and Outsourcing operates several contracts signed with large accounts of France Telecom Group. Prior to this appointment, Mr. Perrillon served as France Telecom's Vice President for International Development of the Corporate Division, a position he held for one year and half.

Mr. Perrillon, began his professional career in 1982 in the operations of mobile services in France Telecom. From 1985 to 1987, he attended the scholarship of ENA.

From 1988 to 1991, he was managing the cost analysis department of France Telecom purchasing division. Then, he was managing director of Interpac Italia the first italian subsidiary of Transpac in Italy. From 1995 to 1997, he was in charge of the controlling department of a regional branch of France Telecom. In early 1997, he joined France Cables et Radio de Mexico for more than 3 years, where he was executive vice president in charge of finance and business development.

**Jean-Sebastien Falisse**  
10394 Adel Road  
22124 Oakton, Va, USA  
Tel: (703) 975 6302

**CAREER  
EXPERIENCE**

**FRANCE TELECOM, Americas**  
Regional Headquarters: Herndon, VA - USA  
Chief Financial Officer

April 2002 - present

Created the Finance and IT support function to provide all Finance, Information Technology and Tax related support to France Telecom Long Distance and to other France Telecom activities in the Americas, ensuring data integrity, timely reporting, and performance against financial objectives.

Establishes and monitors required budgets, issue timely reports, analyzes/reports against variances, Manages the function of Transaction Processing for FTLTD in the US and in Canada. Supports external and France Telecom internal audit initiatives, Ensures timely and accurate filings with the tax authorities and Co-ordinates tax matters for the region.

Provides IT and Application support to 300 users in the region, manages the web based application that serves the finance and reporting needs of all regions of FTLTD, drove the implementation of the FTLTD subsidiary accounting system.

Process owner and lead on the development, formulation, implementation of all processes, methods and procedures, Information Systems related to financial reporting, internal controls, tax compliance and reporting.

**EQUANT**  
Reston, VA - USA  
Group Controller

July 2001 – March 2002

Heads up the corporate controller's function assisting all 400+ entities worldwide in reporting accurate and timely management and legal entity results in a uniform format, in accordance with US GAAP.

Led the integration of the accounting and reporting functions of the legacy Equant, Global One and SITA companies in 225 countries; implemented, staffed up and managed 5 regional organizations, redefined roles and responsibilities, initiated the centralization of the functions to reduce the 700+ staff headcount and create synergies and efficiencies.

**GLOBAL ONE**  
Corporate Headquarters: Reston, VA - USA  
Assistant Vice President – Group Accounting & Consolidation June 2000 – June 2001

Reporting to the Chief Financial Officer. With a team of 53 in the US and in Europe, assumes overall responsibility for Global One General Ledger accounting and consolidation. Supervises the accounting function in 65 countries as well as in the US based Shared Service Center established to cluster accounting responsibilities and maintain state of the art central processes.

Owns the monthly French GAAP reporting process to the shareholders. Manages and coordinates the relationships with the external auditors.

Turned the Company in 3 months to a US GAAP compliant registrant with the SEC and the COB. Implemented low cost processes for improved reporting of the Company's Fixed Assets. Developed financial systems and procedures to support the monthly multi currency Transfer Pricing Process.

### **GLOBAL ONE**

Corporate Headquarters: Brussels, Belgium

Senior Director - Corporate Finance, Accounting & Reporting Nov. 1998 – May 2000

Responsible for the monthly consolidation and reporting of the group's financial information. Reports IAS compliant financial information to the shareholders. Managed a team of 35 in Brussels (Belgium), Reston (Virginia, US), Paris (France) and Bonn (Germany).

Financial Officer of the headquarter entities in Belgium, France, Germany and the US and of the group's clearing activities in Ireland and holding companies in the Netherlands.

Company's interface with shareholders, other departments and external auditors with respect to accounting matters.

Established, disseminated, provided advice on and ensured compliance with a US GAAP based policies and procedures manual for the group.

Performed all internal transfer pricing processes to allocate headquarters and network costs and support business model and shareholders decisions.

Coordinated the due diligence exercise conducted by the shareholders prior to the buy out by France Telecom. Acted as single point of contact for all transactions with the shareholders. Helped saving significant amounts on long outstanding disputes.

Implemented a \$184 million IAS compliant restructuring provision, set up reporting processes to gather information from Finance and non Finance departments around the world

Participated to the wind up of the Headquarter entity in Brussels, maintaining restructuring and reorganization costs to the lowest level possible.

Director – Consolidation & Reporting

July 1998 – Nov. 1998

Responsible for the Company's management and statutory financial reporting process to senior executives, shareholders, external auditors and the European Commission.

Review business units and regional results, performed detailed variance analysis and coordinated the reporting of financial results. Significantly improved the review and reporting process to streamline the legal and management consolidation processes.

Managed and coordinated external audit processes.

**COOPERS & LYBRAND**

Belgium/Luxembourg/Zaire/Burundi

Director Audit Brussels, Partner Audit Luxembourg

June 1990 – July 1998

Responsible of a client based portfolio in the audit practice. Ultimately responsible for audit reports and opinions on IAS, US, French, Belgian, German, Luxembourg, Dutch GAAP financial statements, due diligence review reports and for providing financial and management advice.

Lead Member of the European Audit Training Group and responsible for Audit training program for the Belgium / Luxembourg firm. Member Telecom Leadership Group.

Speaker at Insurance / Reinsurance seminars in Europe. Developed a course on Financial Instruments for the firm and for the banks in Luxembourg

Major assignments included

- Due diligence for acquisition target of a gold mine in Zaire, for privatization of a sugar company in Burundi and for the floating of a Belgian high tech company;
- Project manager for a consulting project in the reorganization of a governmental agency and in the regulatory reporting of a major Belgian telecommunication company,
- Advice to international telecommunication companies on various finance aspects (US GAAP, structural reorganization, shareholder reporting, consolidation tool)

From March through June 1998, dedicated to Global One to assist the VP Accounting and Reporting, responsible for the monthly consolidation and reporting. Supervised the accounting function in the Headquarter entities in Europe and in the United States.

Manager Audit - Zaire

June 1988 – June 1990

Manage audit assignments for the World Bank and for the IMF in Kinshasa and Lubumbashi in the mining, petrol refinery sectors.

Auditor – Brussels

September 1985 – June 1998

**EDUCATION***Institut des Reviseurs d'Entreprises*

Luxembourg

Chartered Accountant

September 1994

*University of Louvain*

Louvain la Neuve, Belgium

Institut d'Administration et de Gestion

Bachelor's Degree in Applied Economics, cum laude

June 1985

**OTHER**

English, French, Knowledge of Dutch



## WORK EXPERIENCE CHRONOLOGY

### RUSSEL ALAN EMERSON

6410 Brass Bucket Ct  
Laytonsville Md 20882  
301 926 0386

July 2001- PRESENT	<b>Head CPSP: Americas/TINOS Reg Dir Americas</b> Outsourcing and Complex Projects :all telecom	EQUANT
June 2000- June 2001	<b>Dir Prog Mgmt; Americas Region</b> All Global One Data services	GLOBAL ONE
June 1998- May 2000	<b>Dir Prog Mgmt, AMEA Region</b> Asia Pac/Middle East/Russia/Africa All Global One Data services	GLOBAL ONE
June 1994- May 1998	<b>Dir Prog Mgmt, Asia Pacific Region</b> All Global One services	GLOBAL ONE
Feb 1993 - June 1994	<b>Group Manager. OPNs PM</b> <ul style="list-style-type: none"> <li>• Field Opns Logistics Group</li> <li>• Network Operations Rollout</li> <li>• Network projects: Voice</li> <li>• Data: X.25/FR/IP/ FAX</li> <li>• Managed all Sprint Intl Opns projects for 2 years</li> </ul> <b>Group Manager, PMs</b> -International Services and Large Projects	SPRINT INTL
May 1990- June 1993	<b>Senior Prog Manager</b> Area Manager, International Services US Domestic and International	SPRINT INTL
June 1984- Apr 1990	<b>Prog Mgr Telecom Intl services</b>	TELENET
June 1969- May 1984	<b>Lt Col United States Marine Corps</b> <b>Aviation career/Pilot</b>	
Oct 1961- May 1969	<b>US MARINE CORPS</b> 16 years Mgmt/23 years service.	

**Marc Dandelot**  
**President**  
**France Telecom North America**

Marc Dandelot was named President of France Telecom North America and Country Manager of France Telecom Group in North America in February 2000. France Telecom operations in North America include Equant (corporate data networks), GlobeCast (satellite services), FT Long Distance (carrier services), Etrali (services to financial institutions), R&D Labs and Venture Capital. Prior to this appointment, Mr. Dandelot served as France Telecom's Executive Vice President for International Development, a position he held for four years.

Mr. Dandelot, a lawyer by training, began his professional career in 1973 in European Affairs, specializing in anti-trust regulations. In 1983 he joined France Telecom as a legal advisor and later became the Chief of Staff to the Minister of Telecommunications.




From 1987 to 1990, Mr. Dandelot served as the Chairman and CEO of France Câbles & Radio, a France Telecom subsidiary. In 1990 he founded a consulting firm focusing primarily on international telecommunications. Mr. Dandelot returned to the France Telecom Group in 1994 as the Chairman of France Telecom holding company Cogecom.

For several years Mr. Dandelot was a professor at the leading Business School and Political Studies Institute in Paris. He has also received the Chevalier de la Légion d'Honneur and Officier de l'Ordre National du Mérite awards.

In his current position as President of France Telecom North America, Mr. Dandelot is leading the company's efforts in developing its North America investment strategy.

Mr. Dandelot is a Partner of the New York City Partnership and Chamber of Commerce, a member of the Board of Directors of the French-American Chamber of Commerce, and member of the French-American Foundation.

**NICOLAS Frédéric**  
7463 Somerset Bay Apt B  
Indianapolis, IN 46240  
U.S.A.

 +1 317 257 6962 (home)  
 +1 317 587 4836 (office)  
 +1 317 828 0943 (mobile)

38 years old, single, without children  
French Nationality

## ☐ **Formation and diplomas**

1980	"Baccalauréat C"
1981 - 1982	"Mathématiques supérieures et spéciales".
1983 - 1985	Engineer school : <b>Ecole Centrale de Lyon (ECL)</b> University degree: DEA Electronique
1986	Specialisation at "Sup Telecom (ENST)" in Telecommunication and Networks

## ☐ **Professional Experience (13 years)**

### **Eunetcom/Global One/Equant (1996-2002)**

Started in 1996 at Eunetcom as Service Manager for one of the biggest Eunetcom multinational customer (JTI) which is still a customer from Equant.

In 2001, director of a worldwide team of 30 customer service managers spread over various countries in Europe and Asia Pacific region This team ensured the service management of 100 multinational customer networks for Voice, IP, Frame Relay or ATM products.

The responsibility of the director was particularly:

- To lead the organisation in defining role, staffing, structure, as well as improving processes and tools for Service Management for Global One customers in relation with Customer Care, Product Management and GCSC.
- To ensure chargeback of service management activities to selling entities (\$250,000 monthly)
- To define and set-up of homogeneous Service Management Reporting tools and processes for all customers

As of 2002, program and service manager of the outsourcing TINOS project for the Americas region. The Tinos Program & Service Manager Americas is responsible at the region level for the following, including services in and out of Equant port-folio:

- Manage the day-to-day relationship with the customer
- Supporting the Tinos Regional Manager during the different project phases (process implementation, local contract transfers, ...)
- Management and relationship of the local/regional sub-contractors for non-standard services, including ordering of services/equipment, validation of invoices.

- Ensuring good operation of implemented local processes (charge-back, ordering, payment of sub-contractors, maintenance,...)
- Ensuring compliance with Quality and Service Level Agreement Targets,.
- Interventions on major troubles or major customer service issues
- Consolidate Service Management Reports
- Launching & leading of regional project reviews.
- Responsible for receiving, processing and implementing all customer changes (new orders, moves, etc..), including standard and non-standard services.
- Ensuring customer invoices are accurate and timely issued. Reviewing with the customer any billing issues.

### **Bull Ingenierie (1988-1996)**

*(Subsidiary of Bull computer company specialised in system integration)*

**1988 to 1996**

Several activities as **Manager of the network and data exchange department**

- Project Manager
- Realisation of internet security studies.  
(architecture and communication protocols, networks, electronic mail and directory solutions, internet)
- Management and follow-up of Research and Development activities.
- Participation in human resource allocation to projects (training and management of the fifteen engineers of the department)
- Pre-sales activities and consulting in product or project implementation phase.

## ☐ **Languages**

Fluent in English  
Some German and Spanish

## ☐ **Technical Expertise**

Systems	UNIX, WINDOWS
Computer Languages	C, Visual Basic,
Network	ISO, TCP/IP, X25, Ethernet, Lan Manager, Novell
Mail	X400, X500, SMTP, Ms-Mail, cc:Mail, gateways
Others	Word, Excel, Access, PPR (Nortel Performance Reporting tool)

## ☐ **Other experience or activities**

Sport and hobbies	<ul style="list-style-type: none"> <li>• Tennis, Ski, Bridge</li> </ul>
Teaching	<ul style="list-style-type: none"> <li>• Teacher in Gabon for undergraduate students during two scholar years (1986 to 1988)</li> </ul>

**EXHIBIT "E"**

**FINANCIAL STATEMENTS**

**France Telecom Corporate Solutions L.L.C.  
Demonstration of Financial Capability**

As a newly-formed company, Applicant does not have any audited financial statements. Applicant is majority owned and controlled by France Télécom S.A. ("France Telecom"), one of the largest communications companies in the world. Applicant's financial information will be fully consolidated in the financial statements of its parent company.<sup>1</sup> Excerpts of France Telecom's financial filings with the Securities and Exchange Commission are attached, including a Management Report (for the six months ended June 30, 2003 and 2004), and consolidated audited financial statements for the last three years.

France Telecom is a leading integrated communications company which is publicly-traded on both the Paris Stock Exchange and the New York Stock Exchange.

The attached financial documents demonstrate that France Telecom Corporate Solutions L.L.C. clearly possesses the requisite financial capability to provide intrastate telecommunications services in this State.

---

<sup>1</sup> See Consolidated Financial Statements -- France Telecom, 2002, 2001 and 2000 at p. F-9 ("companies which are wholly owned or which France Telecom controls, either directly or indirectly, are fully consolidated").

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 20-F**

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2003

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Commission file no. 1-14712

**FRANCE TELECOM**

(Exact name of Registrant as specified in its charter)

Not applicable  
(Translation of Registrant's  
name into English)

6, place d'Alleray  
75505 Paris Cedex 15  
France  
(Address of principal executive offices)

French Republic  
(Jurisdiction of incorporation  
or organization)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
American Depositary Shares, each representing one Ordinary Share, nominal value €4.00 per share	New York Stock Exchange
Ordinary Shares, nominal value €4.00 per share*	New York Stock Exchange
American Depositary Contingent Value Rights	New York Stock Exchange
Contingent Value Rights*	New York Stock Exchange

\* Listed, not for trading or quotation purposes, but only in connection with the registration of the American Depositary Shares and American Depositary Contingent Value Rights pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Ordinary Shares, nominal value €4.00 per share: 2,402,316,828 at December 31, 2003

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark which financial statement item the Registrant has elected to follow:

Item 17 ☐ Item 18 ☒

# PART I

## Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

## Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

## Item 3. KEY INFORMATION

### 3.1 SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial and other operating data of France Telecom. The selected financial data set forth below should be read in conjunction with the Consolidated Financial Statements and "Item 5. Operating and Financial Review and Prospects" appearing elsewhere in this annual report on Form 20-F. The selected financial data presented below has been prepared on a basis constant with the basis of preparation used in the Consolidated Financial Statements as described in Note 2. Prior years have been reclassified as necessary for a consistent presentation. France Telecom's Consolidated Financial Statements are prepared in accordance with French GAAP, which differs in certain significant respects from U.S. GAAP. See Note 33 of the Notes to the Consolidated Financial Statements for a discussion of the principal differences between French GAAP and U.S. GAAP as they relate to France Telecom and a reconciliation of its net income and shareholders' equity to U.S. GAAP.

The selected consolidated financial data as of and for each of the five years ended December 31, 1999, 2000, 2001, 2002 and 2003 are extracted or derived from the Consolidated Financial Statements, which have been audited by Ernst & Young Audit and RSM Salustro Reydel, independent auditors, for the years ended December 31, 1999, 2000, 2001 and 2002, and which have been audited by Ernst & Young Audit and Deloitte Touche Tohmatsu, independent auditors, for the year ended December 31, 2003. The Consolidated Financial Statements as of and for the year ended December 31, 1999 have been translated into euro using the fixed exchange rate for French francs and euro on January 1, 1999.

	Year ended December 31,					
	2003	2003	2002	2001	2000	1999
	\$(1)		(\$ millions, except per share data)			
<b>CONSOLIDATED STATEMENT OF INCOME DATA</b>						
<i>Amounts in accordance with French GAAP:</i>						
Sales of services and products	58,101	46,121	46,630	43,026	33,674	27,233
Operating income <sup>(2)</sup>	12,035	9,554	6,808	5,200	4,856	4,490
Interest expense, net <sup>(3)</sup>	(4,995)	(3,965)	(4,041)	(3,847)	(2,006)	(662)
Other non-operating income/(expense), net	(1,410)	(1,119)	(12,849)	(5,904)	3,957	767
Net income (loss) from integrated companies	8,453	6,710	(12,809)	(2,316)	4,975	2,965
Goodwill amortization	(2,113)	(1,677)	(2,352)	(2,531)	(1,092)	(136)
Exceptional goodwill amortization	(1,432)	(1,137)	(5,378)	(3,257)	-	-
Net income (loss)	4,039	3,206	(20,736)	(8,280)	3,660	2,768
Basic number of shares (rounded)	2,463	1,955	1,085	1,103	1,065	1,025
Diluted number of shares (rounded)	2,754	2,186	1,159	1,177	1,091	1,050
<i>Earnings per share/ADS:</i>						
Net income (loss) per share (basic)	2.07	1.64	(16.75)	(6.58)	3.01	2.37
Net income (loss) per share (diluted)	2.02	1.60	(16.75)	(6.58)	2.97	2.34
Dividend per share <sup>(5)</sup>	-	-	-	1.00	1.00	1.00
<i>Approximate amounts in accordance with U.S. GAAP:<sup>(6)</sup></i>						
Net income (loss)	6,699	5,318	(33,556)	(19,278)	5,131	2,905
Earnings (loss) per share/ADS (basic) <sup>(4)</sup>	3.43	2.72	(26.70)	(14.86)	4.10	2.41
Earnings (loss) per share/ADS (diluted) <sup>(4)</sup>	3.24	2.57	(26.70)	(14.86)	4.04	2.36



	Year ended December 31,					
	2003	2003	2002	2001	2000	1999
	\$(1)		(€ millions, except per share data)			
<b>CONSOLIDATED BALANCE SHEET DATA</b>						
<i>Amounts in accordance with French GAAP:</i>						
Intangible assets	53,404	42,392	46,086	53,152	52,338	2,131
Property, plant and equipment, net	38,593	30,635	36,268	31,728	34,623	28,964
Total assets	125,766	99,833	106,587	127,358	129,585	54,055
Short-term borrowings	1,978	1,570	10,490	11,365	25,165	2,479
Long-term debt, including current portion	60,243	47,821	60,393	56,139	38,089	14,784
Borrowings net of available cash and marketable securities	55,640	44,167	68,019	63,423	60,998	14,628
Shareholders' equity (deficit)	15,150	12,026	(9,951)	21,087	33,157	18,903
Capital stock <sup>(7)</sup>	31,421	24,942	29,511	28,843	28,843	10,727
<i>Approximate amounts in accordance with U.S. GAAP:<sup>(6)</sup></i>						
Shareholders' equity (deficit)	(588)	(467)	(26,751)	11,411	26,311	21,678
<b>CONSOLIDATED STATEMENT OF CASH FLOWS DATA</b>						
<i>Amounts in accordance with French GAAP:</i>						
Net cash provided by operating activities	14,263	11,322	11,839	7,076	6,613	8,109
Purchase of property, plant, equipment and intangible assets	(6,427)	(5,102)	(7,943)	(8,553)	(14,313)	(5,001)
Proceeds from sale of assets <sup>(8)</sup>	752	597	2,916	296	274	150
Cash paid for investment securities, acquired businesses, net of cash and investments in affiliates <sup>(9)</sup>	(299)	(237)	(2,228)	(4,355)	(40,561)	(2,804)
Holdings of own shares	-	-	(5,022)	(8,807)	-	-
Issuance (repayment) of short-term borrowings and long-term debt, net	(24,919)	(19,781)	(63)	5,514	39,301	(209)

(1) In millions. The Consolidated Financial Statements are stated in euro except for 1999, which were originally stated in French francs. The U.S. dollar amounts presented in the table above have been translated solely for the convenience of the reader using the Noon Buying Rate on December 31, 2003 of €0.7938 to \$1.00.

(2) Operating income for the years ended December 31, 1999, 2000, 2001, 2002 and 2003 includes items (€238 million, €225 million, €210 million, €199 million and €211, respectively) relating to the amortization of part of the additional provision for early retirement payments resulting from the change in 1998 and 1999 in actuarial assumptions used in calculating such provision. See Note 22 of the Notes to the Consolidated Financial Statements.

(3) Including interest expense on TDIRA.

(4) Earnings per ADS have been recalculated for all periods presented to reflect the 2002 stock dividend as required under U.S. GAAP, and as discussed in Note 33 of the Notes to the Consolidated Financial Statements.

(5) In 1996, prior to France Telecom's change of status on December 31, 1996, a payment of €686 million, which was appropriated from net income, was made to the French State. No dividend was declared after the change of status. The annual general meeting of the shareholders for the year ended December 31, 2003 authorized a payment of €0.25 per share to shareholders this year.

(6) Amounts presented under this caption were calculated by applying the principles described in Note 33 of the Notes to the Consolidated Financial Statements.

(7) Capital stock represents the sum of share capital and additional paid-in capital.

(8) Includes, for 2002 and 2003, a gain from the sale of real estate of €2,550 million and €419 million.

(9) Includes, for 2000, a cash payment of €21,693 million in connection with the acquisition of Orange plc.

	Year ended December 31,		
	2003	2002	2001
<b>OPERATING DATA</b>			
Telephones lines (standard lines and ISDN channels) at period-end (millions) <sup>(1)</sup>	49.3	49.5	40.0
ADSL lines in France at period-end (millions)	3.1	1.4	0.4
Total controlled wireless subscribers at period-end (millions)	56.2	49.9	43.2
Number of employees at period-end	218,523	243,573	211,554

(1) For the purposes of this presentation, each ISDN channel is counted as the equivalent of one standard access line.

### 3.2 EXCHANGE RATE INFORMATION

Under the provisions of the Treaty on the European Union signed at Maastricht in early 1992, a European Monetary Union ("EMU") with a single European currency, the euro, was established. On May 3, 1998, European governments and central banks announced that the following 11 member states would participate in the last stage of EMU: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, Portugal and Spain. These countries have since been joined by other member states. The last stage of the EMU, which fixed exchange rates between national currencies and the European Currency Unit, and the introduction of the euro for certain purposes, began on January 1, 1999, at which time the exchange rate between the French franc and the euro was established at FF 6.55957 to €1.00 (or €0.1524 to FF 1.00).

Fluctuations in the exchange rate between the euro and the U.S. dollar will affect the U.S. dollar equivalent of the euro-denominated prices of the shares and, as a result, will affect the market price of the ADSs in the United States. In addition, exchange rate fluctuations will affect the U.S. dollar equivalent of any cash dividends received by holders of ADSs.

The following table sets forth, for the periods and dates indicated, certain information concerning the Noon Buying Rate in New York City for cable transfers for foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York expressed in U.S. dollars per €1.00. Such rates are provided solely for the convenience of the reader and are not necessarily the rates used by France Telecom in the preparation of the Consolidated Financial Statements included elsewhere in this annual report on Form 20-F. No representation is made that the euro could have been, or could be, converted into U.S. dollars at the rates indicated below or at any other rate.

U.S. dollars per €1.00	Year/period end rate	Average rate <sup>(1)</sup>	High	Low
<b>Yearly amounts</b>				
1999	\$1.01	\$1.06	\$1.18	\$1.00
2000	\$0.94	\$0.92	\$1.03	\$0.83
2001	\$0.89	\$0.89	\$0.95	\$0.84
2002	\$1.05	\$0.95	\$1.05	\$0.86
2003	\$1.26	\$1.14	\$1.26	\$1.04
<b>Monthly amounts</b>				
October 2003	\$1.16	\$1.17	\$1.18	\$1.16
November 2003	\$1.20	\$1.17	\$1.20	\$1.14
December 2003	\$1.26	\$1.23	\$1.26	\$1.20
January 2004	\$1.25	\$1.26	\$1.29	\$1.24
February 2004	\$1.24	\$1.26	\$1.28	\$1.24
March 2004	\$1.23	\$1.23	\$1.24	\$1.21
April 2004 (through April 14)	\$1.19	\$1.21	\$1.24	\$1.19

(1) The average of the Noon Buying Rates on the last business day of each month during the relevant period.

For information regarding the effects of currency fluctuations on France Telecom's results, see "Item 5. Operating and Financial Review and Prospects – 5.1.1 Activity and Operating Profitability of the Group".

### 3.3 RISK FACTORS

In addition to the other information contained in this annual report on Form 20-F, prospective investors should carefully consider the risks described below before making any investment decisions. These risks, or one of these risks, could have a negative effect on the business, the financial situation, or the results of operations of France Telecom. Moreover, additional

risks not currently known to France Telecom, or that France Telecom currently deems immaterial, may also impair its business operations. France Telecom's business, financial condition or results of operations could be materially adversely affected by any of these risks and investors could lose all or part of their investment.

The risks described below concern:

- Risk factors relating to France Telecom's business (see "– 3.3.1 Risk Factors Relating to France Telecom's Business");
- Risk factors relating to the telecommunications and wireless industries (see "– 3.3.2 Risk Factors Relating to the Telecommunications and Wireless Industries");
- Risk factors relating to financial markets (see "– 3.3.3 Risk Factors Relating to Financial Markets"); and
- Risk factors relating to legal proceedings (see "– 3.3.4 Risk Factors Relating to Legal Proceedings").

Risks related to France Telecom, the telecommunications industry and financial markets are described below in each of the categories by order of decreasing importance, according to France Telecom's current assessment. The occurrence of new external or internal events may lead France Telecom to modify this order of importance in the future.

### **3.3.1 RISK FACTORS RELATING TO FRANCE TELECOM'S BUSINESS**

France Telecom may not be able to reduce its debt. If it is unable to reduce its indebtedness, France Telecom's cash flow may be insufficient to meet its financing needs and its ability to invest in the development of its business may be reduced.

During the period from 1999 to 2002, France Telecom achieved strong external growth at a cost of €100 billion, of which 80% was paid in cash. This led to a major increase of its net consolidated financial debt, which went from €14.6 billion at the end of 1999 to €68.0 billion at the end of 2002.

The major priority of the "Ambition FT 2005" Plan, launched in December 2002, is to reduce France Telecom's indebtedness through an increase in capital, undertaken on April 15, 2003 for close to €15 billion and through its operational performance improvement program called "TOP". These two elements, for the most part, allowed France Telecom to reduce its net consolidated financial debt to €44.2 billion at December 31, 2003.

Nevertheless, in the future, France Telecom may not be able to generate sufficient cash flow to further reduce its indebtedness. This situation could result from negative factors such as the following:

- competition or decisions made by regulatory authorities that have the effect of reducing prices or revenues;
- the slowdown of the current growth in terms of business volume (wireless activities, data base services, Internet services);
- the decrease in business volume of older sectors (a tendency that is already being experienced in fixed line telephony);
- obstacles to the efforts to achieve savings in terms of operating expenses before amortization and depreciation and in terms of investments in tangible and intangible assets;
- the necessity, due to competition or technological advancement or changes in regulations, to incur operational or investment expenses that are greater than those planned.

If France Telecom does not succeed in reducing its indebtedness, its cash flow may be insufficient to meet its financing needs, including meeting scheduled repayments of its debt.

Furthermore, France Telecom's financing agreements contain a certain number of financial covenants (see Note 20 and Note 20.4 of the Notes to the Consolidated Financial Statements). If France Telecom fails to meet its obligations arising from its financing agreements or other payment obligations, its creditors may require early repayment. Many of France Telecom's financing agreements and its outstanding securities include cross-default and cross-acceleration provisions pursuant to which a payment default or acceleration, or a failure to respect a financial covenant, may result in the acceleration of all or a significant part of France Telecom's debt and an inability to draw upon its credit lines. France Telecom's high level of debt, its obligations to maintain certain financial ratios and its other obligations may limit its ability to borrow additional funds and invest in the development of its business.

The "TOP" Program may not achieve the expected results, which could have a material adverse impact on France Telecom's financial condition and results of operations.

The "TOP" operational performance improvement program strives to achieve optimal levels of performance for each of its activities and generate more than €15 billion in net cash flow over the period from 2003 to 2005.

The results of the "TOP" Program in 2003 are discussed in "Item 5. Operating and Financial Review and Prospects – 5.1.2.2 Results of the 'TOP' Operational Improvements Program".

In particular, the "TOP" Program allowed France Telecom to generate approximately €6.4 billion in free cash flow excluding asset disposals (for a calculation of free cash flow excluding asset disposals and a description of the manner in which France Telecom uses it, see "Item 5. Operating and Financial Review and Prospects – 5.4.2 Liquidity" and "Item 5. Operating and Financial Review and Prospects – 5.9 Non-GAAP Financial Measures and Financial Glossary"). France Telecom's management uses free cash flow excluding asset disposals to analyze its ability to generate net cash available for debt repayment in the context of the "TOP" Program. Operating expenses before depreciation and amortization decreased, on a comparable basis, from €30.3 billion in 2002 to €28.8 billion in 2003, representing a decrease of close to €1.5 billion. Investments in tangible and intangible assets (excluding acquisitions of licenses) decreased, on a comparable basis, from €6.95 billion in 2002 to €5.1 billion in 2003, representing a decrease of close to €1.9 billion.

In the future, the goals of this program may not be achieved or may be delayed, which would have a material impact on the financial condition and results of operations of France Telecom. France Telecom may encounter difficulties in the implementation of the program. For example, reorganization costs may be greater than expected (from €800 million to €1 billion), especially in cases of withdrawals from certain markets (for example, the withdrawal of Orange from the Swedish market).

Furthermore, the implementation of the "TOP" Program could lead to unexpected results. For example, investments in tangible and intangible assets, and more generally, the investments made in growth sectors, may be insufficient to maintain the Group's status as a leader, to improve networks and to develop and promote new and existing services, especially in the highly competitive sectors of wireless and Internet services.

France Telecom may not be able to successfully integrate the companies that it has acquired or to achieve planned synergies.

During 2003, France Telecom continued to pursue its integration of Equant and TP Group. France Telecom may:

- have difficulty integrating the operations and personnel of the acquired entities;
- fail to successfully incorporate networks or acquired technology into its network and product offerings;
- fail to generate anticipated synergies;
- fail to maintain uniform standards, controls, procedures and policies; or
- fail to maintain satisfactory employee relations with acquired entities as a result of changes in management and ownership.

Any major difficulties related to the integration of these entities or other businesses acquired by France Telecom could have an adverse effect on its business, financial condition and results of operations.

France Telecom faces risks relating to certain subsidiaries and joint ventures in which it shares control or does not hold a controlling interest.

In some of the Group's activities, especially in the "Orange" and "Other International" segments, France Telecom holds a non-controlling interest. Under the governing documents or agreements for certain of these entities, certain key matters such as the approval of business plans and decisions as to the timing and amount of distributions require the agreement of France Telecom's partners, and in some cases, decisions regarding these matters may be made without France Telecom's approval. There is a risk of disagreement or deadlock or a risk that decisions contrary to the interests of France Telecom will be made. For example, following the difficulties encountered with MobilCom, France Telecom was obliged to depreciate the total amount of its investment in MobilCom in 2002.

The consolidated subsidiaries that may be impacted by the risks described above are either proportionately consolidated (as in the case of control exercised with one or more other shareholder(s)) or consolidated according to the equity method (see Note 32 of the Notes to the Consolidated Financial Statements).

Companies that are consolidated proportionately mainly include ECMS (Mobinil), a subsidiary of Orange in Egypt, which is consolidated at 71.25%, as well as operators in Mauritius (Mauritius Telecom) and Jordan (JTC), in which France Telecom has a 40% controlling interest in each.

Companies that are consolidated by the equity method (see Note 11 of the Notes to the Consolidated Financial Statements) mainly include the operating subsidiaries of BITCO/TA Orange, a subsidiary of Orange in Thailand controlled at 49%, and

Radianz, a subsidiary of Equant controlled at 49%. At December 31, 2003, following an additional depreciation, the book value of the securities of BITCO was brought to zero. Moreover, France Telecom has a 36% interest in the share capital of Tower Participations following its withdrawal from TDF and a 20% interest in the share capital of Bluebird Participations France following its withdrawal from Eutelsat.

Finally, France Telecom has non-consolidated holdings (see Note 12 of the Notes to the Consolidated Financial Statements) that could be impacted by the risks mentioned above, in particular, Orange's interests in the share capital of ONE (17.5%, Austria) and Optimus (20%, Portugal). France Telecom fully depreciated at December 31, 2003 the value of its 27% interest in the share capital of Noos (Cable television, France).

In some cases, strategic or joint venture partners may choose not to continue their partnership. In addition, France Telecom's arrangements with its joint venture partners may expose France Telecom to requirements for additional financing, or additional capital expenditure or investment requirements or obligations to buy or sell holdings. See Note 28 of the Notes to the Consolidated Financial Statements.

These factors could impact France Telecom's ability to pursue its stated strategies with respect to those entities or have a material adverse effect on its results of operations or financial condition.

**The high cost of UMTS licenses, and investments and expenses necessary for the success of this technology, could adversely affect France Telecom's business, financial condition and results of operations.**

At December 31, 2003, France Telecom had paid over €8 billion to acquire UMTS licenses in Europe (excluding minority interests, notably MobilCom). Under the terms of these licenses, France Telecom has agreed to make significant investments in its networks in order to offer new products and services. If France Telecom decided not to pursue UMTS development in certain countries, or if it was unable to meet the costs, it may incur significant costs, including revocation of the licenses, relating to its withdrawal from these markets.

For example, if Orange cannot fulfill the conditions under its UMTS licenses or obtain their modification, the licenses may be revoked and Orange may be liable for damages to the state that awarded the licenses, or to its partners in UMTS development in these countries, as well as to its creditors or its suppliers. All of these risks could have a significant negative impact on France Telecom's financial condition and results of operations.

In addition, once its UMTS network has been launched, the costs related to the development and marketing of new products are difficult to estimate and may be very high, in particular to promote demand for UMTS services or to subsidize UMTS-compatible handsets.

France Telecom cannot be certain that the demand for UMTS products and services will justify the related high costs. Low demand, or demand with weak growth, for UMTS products and services in markets where France Telecom offers them would adversely affect its results of operations. The level of demand for UMTS products and services may be adversely affected by the failure of prior preliminary launches by France Telecom's competitors or by the launch of alternative technologies. France Telecom will need to offset the high purchase costs of the licenses, network capital expenditures and the related amortization costs with increased revenues from customers. Furthermore, any delay in the provision of UMTS products and services resulting from problems with suppliers of components of the UMTS network, the roll out of the network, the unavailability of products compatible with UMTS services, the inability to comply with the requirements of UMTS licenses or any other factor may adversely affect revenues from UMTS services or the date from which such revenues are generated. If, in the future, France Telecom's current estimates relating to future cash flow generated under the UMTS licenses are not met, France Telecom's revenues could be adversely affected, and France Telecom could be required to significantly depreciate the value of its UMTS licenses and related assets recorded in its financial statements.

To the extent that France Telecom expects to generate significant cash flows from its wireless telephony subsidiaries, such as Orange and PTK Centertel, the failure by these activities to generate sufficient revenues could render France Telecom unable to meet its financing needs related to the development of UMTS or its other activities. Its financial condition and results of operations may be adversely affected.

For more information relating to the cost and value of UMTS licenses, see "Item 5. Operating and Financial Review and Prospects – 5.2.2.1 Orange Segment – Investments in Tangible and Intangible Assets".

**France Telecom recorded significant goodwill following the acquisitions it made between 1999 and 2002. Accelerated amortization of this goodwill may be required, which could have a material negative impact on France Telecom's results.**

France Telecom recorded significant goodwill in connection with its acquisitions since 1999, particularly for the acquisitions of Orange, Equant and TP Group. Goodwill amounted to approximately €26 billion at December 31, 2003. Pursuant to French generally accepted accounting principles, goodwill is amortized over a period determined at the time the goodwill is recorded.

The value of goodwill is reassessed annually and, when events and circumstances indicate that a decrease in value may occur, France Telecom depreciates this goodwill, particularly in the case of events and circumstances that include lasting material adverse changes affecting the economic environment or affecting the assumptions and objectives that were used at the time of the acquisition. For example, France Telecom depreciated its investments in Equant and in certain subsidiaries of Orange and Wanadoo in 2002 and 2003. France Telecom cannot guarantee that new events or unfavorable circumstances will not take place that would lead France Telecom to reassess the value of its goodwill and record additional significant exceptional amortization, which could have a material adverse effect on France Telecom's revenues.

For further information relating to the exceptional amortization of goodwill, see "Item 5. Operating and Financial Review and Prospects – 5.2.3.8 Goodwill Amortization".

**France Telecom's technical infrastructure is vulnerable to damage or interruptions caused by floods, storms, fires, power outages, war, intentional acts and other similar events. Technical network and information technology system failures may result in reduced user traffic, reduced revenue and harm to France Telecom's reputation.**

The occurrence of a natural disaster, such as the major storms in December 1999 that affected service in France at the beginning of 2000, or the flooding in southern France in 2002, and other unanticipated problems at France Telecom's facilities or any other damage to or failure of its network could result in interruptions in its service. In 2000, such damages amounted to approximately €150 million. In certain circumstances, France Telecom has no insurance for damages to its aerial lines and must itself finance these costs. Information technology system (hardware or software) failures, human error or computer viruses could also affect the quality of its services and cause temporary service interruptions. While the risk cannot be quantified, such events could result in customer dissatisfaction and reduced traffic and revenues for France Telecom.

**France Telecom will be obligated to adopt new accounting standards in 2005 that may have a material impact on its accounts and may render a comparison between financial periods more difficult.**

In June 2002, the European Union adopted new regulations requiring all listed EU companies, including France Telecom, to apply International Financial Reporting Standards ("IFRS") (previously known as International Accounting Standards or "IAS") in their financial statements from January 1, 2005.

The IFRS norms may have a material impact on important items in the accounts and balance sheet of France Telecom. For further information on the impact of IFRS norms, see "Item 5. Operating and Financial Review and Prospects – 5.7.2 Implementation of IFRS (International Financial Reporting Standards) within the France Telecom Group".

**The value of France Telecom's international investments in telecommunications companies outside Western Europe may be materially affected by political, economic and legal developments in these countries.**

France Telecom has made a significant number of investments in telecommunications operators in countries in Eastern Europe, the Middle East, the Caribbean, Latin America, Asia and Africa, particularly with respect to its activities in the "Orange" and "Other International" segments.

The political, economic and legal systems of the countries in these regions of the world (as, for example, in the Ivory Coast) may evolve in an unpredictable manner. Political or economic upheaval or changes in laws may negatively affect the operations of companies in which France Telecom has invested, and may impair the value of these investments.

**The downgrading of France Telecom's debt ratings in 2001 and in 2002 by rating agencies increased the cost of its debt. Despite the ratings increases in December 2002, in 2003 and in 2004, the downgrading of its debt rating could limit its ability to borrow and may increase the cost of access to financial markets.**

In October 2001, the rating agencies that evaluate France Telecom's debt downgraded their ratings on France Telecom's short- and long-term debt. Standard & Poor's Ratings Services, or S&P's, lowered its rating on France Telecom's long-term debt from A- to BBB+, with a negative outlook, and downgraded France Telecom's short-term debt rating from A1 to A2. Moody's Investors Service, or Moody's, lowered its rating of France Telecom's long-term debt from A3 to Baa1, with a negative outlook, and downgraded its rating of France Telecom's short-term debt from P1 to P2. Fitch IBCA downgraded its rating of France Telecom's long-term debt from A- to BBB+ with a negative outlook, and lowered the rating of its short-term debt from F1 to F2. After the publication of France Telecom's annual accounts in March 2002, S&P's and Moody's placed their respective BBB+ and Baa1 ratings of France Telecom's long-term debt, on review for downgrade; similarly, Fitch IBCA placed its F2 rating of France Telecom's short-term debt on review for downgrade beginning March 2002. On May 13, 2002, Moody's also placed France Telecom's short-term debt under review.

On June 24, 2002, Moody's downgraded its rating of France Telecom's long-term debt from Baa1 to Baa3 and downgraded France Telecom's short-term debt rating from P2 to P3, with a negative outlook for the long-term debt. On June 25, 2002, S&P's downgraded France Telecom's long-term debt rating from BBB+ to BBB and downgraded France Telecom's short-term debt

rating from A2 to A3. S&P's also put France Telecom's long-term rating on review, with a negative outlook. On July 5, 2002, Fitch IBCA downgraded its rating of France Telecom's long-term debt to BBB-, with a stable outlook, and lowered its rating of France Telecom's short-term debt from F2 to F3. On July 12, 2002, S&P's again downgraded its rating of France Telecom's long-term debt from BBB to BBB-, with a stable outlook.

These ratings downgrades have limited France Telecom's access to financial markets while it faces significant debt repayments in 2003, 2004 and 2005. According to the rating agencies, the downgrading of France Telecom's ratings and their placement under review is due to doubts about France Telecom's ability to execute its debt reduction plan, due to both the deterioration of market conditions in the telecommunications sector and the difficulties encountered by France Telecom in carrying out its asset disposal program. The rating agencies have also expressed concern about the possible assumption by France Telecom of MobilCom's debt. In this regard, France Telecom recently completed, in 2003, the transactions contemplated by the MC Settlement Agreement with MobilCom (see Note 22.3 and Note 26 of the Notes to the Consolidated Financial Statements).

On December 5, 2002, after the announcement related to the launch of the "Ambition FT 2005" Plan (see "Item 4. Information on France Telecom – 4.2.1 'Ambition FT 2005' Plan") Fitch IBCA amended its outlook on France Telecom's long-term debt from stable to positive and S&P's confirmed its rating of France Telecom's long-term debt at BBB- with a stable outlook. On December 9, 2002, Moody's also confirmed France Telecom's long-term debt rating at Baa3 with a stable outlook. On May 14, 2003, S&P's increased its rating on France Telecom's long-term debt from BBB- to BBB with a positive outlook and its rating on short-term debt from A-3 to A-2. On August 7, 2003, Fitch IBCA increased its rating on France Telecom's long-term debt from BBB- with a positive outlook to BBB with a positive outlook. On September 23, 2003, Moody's increased its outlook on the long-term debt placed at Baa3 from stable to positive, then on December 5, 2003, placed it under positive review. On February 18, 2004, S&P's increased its rating on France Telecom's long-term debt to BBB+ with a positive outlook. On February 19, 2004, Fitch IBCA increased its rating on France Telecom's long-term debt to BBB+ with a positive outlook. On March 3, 2004, Moody's increased its rating on France Telecom long-term debt to Baa2 with a positive outlook and its short-term rating to P2, with a stable outlook.

France Telecom cannot guarantee that the rating agencies will not further downgrade its credit ratings, particularly if the TOP Program does not produce the expected results or if France Telecom is unable to reduce its indebtedness.

A significant portion of the debt (€17.1 billion outstanding at the end of 2003) includes step-up provisions, or provisions that will lead to the amendment of the coupons or margins should the ratings of France Telecom change. The deterioration in the ratings of France Telecom in June and July of 2002 led to an increase in coupon bonds starting September 2002 for bonds denominated in U.S. dollars or in pounds sterling, and starting in February and March of 2003 for the other bonds (annual bonds). This can be explained by the impact of the deterioration in the ratings of France Telecom that occurred in 2002 on interest expense which was approximately €40 million in 2002, compared to €164 million in 2003.

Furthermore, France Telecom S.A.'s securitization programs require, where applicable, a rating above BB-.

France Telecom cannot guarantee that it will succeed in applying the measures adopted to reinforce or maintain its credit ratings. It also cannot guarantee that the rating agencies will deem the undertaken measures sufficient. In addition, factors outside France Telecom's control, including factors relating to the telecommunications industry or specific countries or regions in which it operates, may affect the rating agencies' assessment of France Telecom's credit profile.

For information purposes, France Telecom believes that a decrease of one notch in its long-term debt rating by S&P's and Moody's would automatically increase its annual interest expense by approximately €90 million, based on its current level of indebtedness, and would also adversely affect its ability to access, and the conditions under which it accesses, the financial markets.

In addition, in the event of a ratings downgrade, certain derivatives contracts and certain contracts related to lease transactions with distinct third parties may be terminated or require the posting of collateral. France Telecom has already been required to post collateral for certain of these contracts.

### **3.3.2 RISK FACTORS RELATING TO THE TELECOMMUNICATIONS AND WIRELESS INDUSTRIES**

The profound and permanent transformation of the telecommunications industry could render existing technology obsolete. A deficiency in France Telecom's response to technological advancement could lead to the loss of customers or market share in the sectors in which France Telecom operates and could have an impact on its revenues and results of operations.

The telecommunications industry has experienced profound changes in recent years, and France Telecom believes that these changes will continue. If France Telecom fails to rapidly adapt its business to meet the developments of the telecommunications industry, it may be unable to compete effectively and its business activities, financial condition and results

of operations may suffer. France Telecom may be unable to appropriately anticipate the demand for certain technologies or may not be in a position to acquire or finance the necessary licenses and intellectual property rights in time. Further, new technologies that France Telecom chooses to develop may lead to significant costs and may not be as successful as planned. As a result, France Telecom may lose customers or market share or may be obligated to undertake substantial expenditures to maintain its customers.

**The intense competition of the telecommunications industry in Europe may strain France Telecom's resources.**

France Telecom faces intense competition in all areas of its business.

In the fixed line telephony business in France, which has been open to competition since January 1, 1998, France Telecom faces competition that has created a dramatic reduction in rates, as well as a reduction in its market share from 1998 through 2001. In addition, competition in the markets for regional and local calls is intensifying. The recent regulatory changes, such as the unbundling of its local loop, the preselection of operators, number portability and main distribution frame access, have increased the ease with which its customers can use the services of other telecommunications carriers instead of France Telecom's services. In the local call sector principally, with the introduction of carrier preselection at the beginning of 2002, France Telecom lost approximately 25% of its market share at December 31, 2002. France Telecom expects a further decrease of its market share and continued decreases of rates in the fixed line services in France, where it currently enjoys the greatest market share. In addition, according to France Telecom, an increasing proportion of calls that would previously have been made over the fixed line network are now being made on mobile telephones, a process known as "fixed-wireless substitution". The level of competition is significantly influenced by decisions of the ART, which could make decisions that would lead to further declines in rates in the fixed line telephony business. For further information regarding competition and regulatory decisions that could affect the level of competition, see "Item 4. Information on France Telecom – 4.5.3 Fixed Line, Distribution, Networks, Large Customers and Operators" and "Item 4. Information on France Telecom – 4.12.2 French Regulations".

In addition, restructuring by certain competitors and overcapacity in the international transmissions sector could materially affect France Telecom's results in the international transmissions business. If these conditions continue, they could negatively impact France Telecom's results in this market. In the data transmissions market, Equant and Transpac, both subsidiaries of France Telecom, face intense competition. The success of the France Telecom group in this market will depend on the ability of Equant and Transpac to compete with the other large telecommunications operators, intellectual property and data specialists and new entrants in this market, including operators from competing networks and suppliers of Internet services or other value added services. France Telecom believes that the number of competitors, the vertical and horizontal concentration of this activity, the pressure on rates and the competition in terms of market share could increase in the future.

In the wireless telecommunications business, France Telecom faces intense competition in all of its principal markets (particularly in France and the United Kingdom) from existing and new market participants. In certain countries, France Telecom must compete with new non-traditional operators that offer wireless communications services without maintaining their own networks (known as mobile virtual network operators). Although competition based on handset subsidies has diminished in France and the United Kingdom, competition based on rates, subscription options offered, coverage and service quality remains intense. As these markets have become increasingly saturated, the focus of competition is starting to shift from customer acquisition to customer retention, which could lead to higher expenses for customer loyalty initiatives. Rates for wireless communications have been declining over the past several years and may continue to decline in France Telecom's principal markets.

France Telecom also faces competition in the market for Internet and multimedia services, particularly in France. The Internet access market is experiencing increased competition and shifting usage patterns which exert a pressure that may be influenced by regulation, particularly in France. There are few substantial barriers to entry in the Internet industry and connection costs for users and customers are low. As a result, France Telecom's most significant competitors in this segment may be new entrants such as the French postal service that would not be burdened by the costs of modernizing older equipment. It may be very expensive for France Telecom to upgrade its networks, products and technology in order to continue to compete effectively with other competitors. Wanadoo faces competition in the printed directories market from editors that offer regional directories in France. Online directories remain highly competitive with many market participants.

Competition in any or all of France Telecom's lines of business could lead to:

- price erosion for France Telecom's products and services;
- an inability to increase market share or a loss of market share;
- loss of existing or prospective customers and greater difficulty in retaining existing customers;
- more rapid deployment of new technologies and obsolescence of existing technologies;
- the increase of costs related to investments in new technologies that are necessary to retain customers and market share;



- increased pressure on France Telecom's profit margins, preventing it from maintaining or improving its current level of operational profitability; and
- difficulties repaying the debt it incurred to finance its acquisitions and strategic and technological investments if it cannot generate revenues and an adequate gross margin of internal financing.

If growth in the Internet and wireless businesses slows, France Telecom's revenues may not grow as rapidly as in the past and may even decrease, which in turn could adversely affect its profitability.

In recent years, France Telecom's revenues, at a constant exchange rate, have grown in large part because of rapid expansion in its Internet and wireless communications businesses, in line with growth in the Internet and wireless markets in Europe. If these markets do not continue to expand, particularly in France and the United Kingdom, France Telecom's revenue may not grow or may even slow, which in turn could affect its financial condition and results of operations, in particular if the revenues of the "Fixed Line, Distribution, Networks, Large Customers and Operators" segment were to decrease.

Despite the current trend towards deregulation in France and other European countries, France Telecom continues to operate in highly regulated markets in which its flexibility to manage its business is limited.

France Telecom must comply with an extensive range of requirements that regulate and supervise the licensing, construction and operation of its fixed line, wireless and Internet networks and the provision of its products and services. It must also cooperate with agencies or other governmental authorities that regulate and supervise the allocation of frequency spectrum and that oversee the general competitiveness of the telecommunications market. Furthermore, France Telecom faces a number of regulatory constraints as a result of its dominant position in the fixed line telecommunications market in France, including certain obligations that lead to significant costs. For example, France Telecom is required to provide interconnection services to other operators on terms that must be approved by the regulatory authority. France Telecom is also required to have its rates for fixed line voice telephony services approved by the regulatory authority prior to implementation. France Telecom believes that, in general, it fulfills the requirements imposed by the applicable regulations, but it cannot predict the opinion of regulatory or judicial authorities, who could be asked to review or have already been asked to review France Telecom's compliance.

Like other operators, France Telecom's activities and operating income may be impacted significantly by legislative, regulatory and governmental changes and, in particular, by decisions made by regulatory authorities and competition authorities in relation to:

- granting, modifying and renewing licenses (see "Item 5. Operating and Financial Review and Prospects – 5.2.2.1 Orange Segment – Investments in Tangible and Intangible Assets" for further information on the renewal of the GSM license in France);
- rates or the possibility of extending activities to new markets;
- network accessibility to virtual network operators and other service providers; or
- access to third party networks.

Such decisions could significantly impact results of operations.

The following can be cited as examples of risks related to regulatory changes or decisions: the conditions for the renewal of Orange France's GSM license and Wanadoo's obligation to submit to the European Commission accounting information related to its broadband offers.

Regarding the first point, the GSM license granted to Orange France for a period of 15 years, from March 25, 1991, expires in March 2006. In compliance with the terms of the license, the conditions for renewing the license, like those for SFR, were defined in March 2004. The new conditions approved by the French government provide for a 1% fee per year on the revenues of wireless operators, in addition to a fee of €25 million per year. The wireless operators have agreed to continue to reduce the price of SMS text messages and will work in close cooperation with the French State, local authorities and the regulatory authority to complete the rural area coverage program and ensure 100% wireless telephony coverage for all French towns and villages. In other countries where it operates, France Telecom cannot foresee the new conditions that will be applicable within the framework of GSM licenses following their renewal, and in particular, cannot dismiss the possibility that the cost to the operator may be significantly higher than the current cost of the license fees.

Regarding the second point, within the framework of a July 2003 decision by the European Commission (see Note 29 of the Notes to the Consolidated Financial Statements) imposing a fine of €10.4 million on Wanadoo France for having abused its dominant position in the retail market for broadband Internet access by practicing predatory pricing between 2001 and October 2002 (Wanadoo filed an appeal against this decision), the European Commission has required that Wanadoo France furnish it with its operational accounts related to its broadband offers until 2006, in order to enable the Commission to verify that Wanadoo France is not engaging in predatory pricing.

Furthermore, licenses are required in most countries to provide telecommunications services and operate networks. These licenses frequently impose requirements regarding the way the operator conducts its business, including, in particular, minimum service requirements, roll out completion deadlines, and network quality and coverage.

Failure to meet these requirements could result in fines or other sanctions, including, ultimately, revocation of the licenses.

**Alleged health risks of wireless communications devices could lead to decreased wireless communications usage or increased difficulty in obtaining sites for base stations or litigation, that may have adverse effects on the results of operations of France Telecom.**

In France, by decree dated May 3, 2002, the Health Ministry required wireless operators to provide their customers with recommendations on the use of mobile telephones and information on the remaining uncertainties relating to potential health risks. In addition, Orange signed charters of good conduct relating to the installation of transmitter sites with other operators and certain municipalities in France. On January 21, 2003, the ART published a scientific study regarding the health risks associated with wireless telephone transmitter sites and mobile telephones. The results of this study, ordered by the French National Institute for Industrial Environment and Risks (the *Institut national pour l'environnement industriel et des risques*, or "Ineris"), confirmed the conclusions of an independent report published in 2001, which found that "no study has been able to conclude that exposure to radio-frequency fields emitted by mobile telephones or their base stations have had a harmful influence on health". In total, at least four scientific studies with the same conclusions, including the one mentioned above, were published in 2003.

In the United Kingdom, a study on wireless telecommunications health issues conducted by the Independent Expert Group on Mobile Phones, known as the Stewart Report, reported that to date, there is no evidence that suggests that wireless phone technologies pose a health risk for the general public. The Department of Health in the United Kingdom has nevertheless required that information be made available to customers so that they can make their own informed choices about how to use mobile phones. In the United Kingdom, Orange and other wireless network operators are promoting in-depth scientific research into wireless technology through joint financing of a program with the government of the United Kingdom. The published scientific studies concluded that no long-term health risks exist.

While to date France Telecom is not aware of any substantiation of health risks associated with wireless communication devices, actual or perceived health risks may adversely affect France Telecom's results of operations or financial condition through a reduction in the number of customers, reduced usage per customer, exposure to potential litigation or other liability. In the event that future evidence is considered to show that health risks exist, the use of mobile phones could be subject to regulations which, for example, could limit emission levels from handsets or transmitter sites. Such regulations could have an adverse effect on France Telecom's operations and results of operations.

### **3.3.3 RISK FACTORS RELATING TO FINANCIAL MARKETS**

**France Telecom's business may be affected by fluctuations in exchange rates.**

A significant portion of France Telecom's revenues and expenses are accounted for in currencies other than the euro. Over the course of 2002 and 2003, the main currencies for which France Telecom was exposed to exchange rate risk were the pound sterling, the Polish zloty and the U.S. dollar. Where appropriate, France Telecom enters into derivative instruments to hedge underlying exposures to changes in exchange rates, but France Telecom cannot guarantee that these derivative transactions will effectively or totally hedge its risks. To the extent that France Telecom has not entered into derivative instruments to cover a portion of this risk, or if its strategy of using these instruments is not successful, France Telecom's cash flow and revenues may be affected. Derivative instruments are described in Note 20 of the Notes to the Consolidated Financial Statements.

For consolidation purposes, the balance sheets of France Telecom's consolidated foreign subsidiaries are converted into euro using the exchange rate at the end of the period, and their income statements and cash flow charts are converted using the average exchange rate for the period. The impact of such a conversion on the balance sheet and shareholders' equity may be significant. From one period to another, fluctuations in the average exchange rate relating to a particular currency may significantly affect the reported revenues as well as the expenses incurred in such currency, as reflected in France Telecom's income statement, which could significantly affect its results of operations. For example, in 2003, the impact of fluctuations in the exchange rate on France Telecom's revenues was approximately €2 billion.

**France Telecom's business may be affected by fluctuations in the financial markets, including changes in interest rates.**

In the ordinary course of its business, France Telecom is exposed to financial market risks, including changes in interest rates. Where appropriate, France Telecom enters into derivative instruments to hedge underlying exposures to changes in interest rates. The derivative instruments used by France Telecom are described in Note 20 of the Notes to the Consolidated Financial Statements. France Telecom's exposure to market risks is described in "Item 11. Quantitative and Qualitative Disclosures about Market Risk - 11.1 Exposure to Market Risks and Financial Instruments".

**Risk factors relating to the volatility of France Telecom's shares.**

France Telecom S.A.'s share prices may fluctuate due to a number of factors, including:

- a change in France Telecom's credit rating, or level of indebtedness or sales of assets;
- changes in recommendations made by financial analysts with respect to France Telecom;
- changes in analysts' forecasts regarding the markets in which France Telecom operates;
- an announcement by France Telecom or one of its competitors regarding strategic partnerships, results of operations, changes in its capital structure or other important changes in activity;
- the recruitment or departure of key employees; and
- general stock market fluctuations.

Following the exchange offer for Orange shares completed in 2003, France Telecom held none of its own shares at December 31, 2003.

In addition, the share prices of France Telecom's listed subsidiaries, Wanadoo, Equant and TP S.A., may fluctuate. This could impact the financial condition of France Telecom or its share price.

**Future sales by the French State of its shares in France Telecom may impact France Telecom's share price.**

At December 31, 2003, the French State held, directly or indirectly, through the intermediary, ERAP, approximately 54.5% of the share capital of France Telecom. Until January 2004, the French State had the legal obligation to hold more than 50% of the share capital of France Telecom. However, French law no. 2003-1365 of December 31, 2003, relating to the public telecommunications service and to France Telecom, allows the French State to transfer its holding to private investors. If the French State decides to reduce its holding in the share capital of France Telecom, such a sale or even the perception of potential sales could impact France Telecom's share price.

**The price of France Telecom's ADSs and the U.S. dollar value of any dividends will be affected by fluctuations in the U.S. dollar/euro exchange rate.**

The ADSs are quoted in U.S. dollars. Fluctuations in the exchange rate between the euro and the U.S. dollar are likely to affect the market price of the ADSs. For example, because France Telecom's financial statements are reported in euro, a decline in the value of the euro against the U.S. dollar would reduce France Telecom's earnings as reported in U.S. dollars. This could adversely affect the price at which the ADSs trade on the U.S. securities markets. Any dividend that France Telecom might pay in the future would be denominated in euro. A decline in the value of the euro against the U.S. dollar would reduce the U.S. dollar equivalent of any such dividend.

**Holders of ADSs may face disadvantages compared to holders of France Telecom's shares when attempting to exercise voting rights. Holders of shares wishing to exercise their voting rights must block their shares for at least five days prior to the shareholders' meeting pursuant to French law.**

In order to vote at shareholders' meetings, ADS holders who are not registered on the books of the depositary are required to transfer their ADSs for a certain number of days before a shareholders' meeting into a blocked account established for that purpose by the depositary. Any ADS transferred to this blocked account will not be available for transfer during that time. ADS holders who are registered on the books of the depositary must give instructions to the depositary not to transfer their ADSs during this period before the shareholders' meeting. ADS holders must therefore receive voting materials from the depositary sufficiently in advance in order to make these transfers or give these instructions. There can be no guarantee that ADS holders will receive voting materials in time to instruct the depositary to vote. Also, the depositary is not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. It is possible that ADS holders, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote at all.

In order to participate in any general meeting, a holder of shares held in registered form must have its shares registered in its name in a shareholder account maintained by France Telecom or on France Telecom's behalf by an agent appointed by France Telecom by 3:00 p.m. (Paris time) the day before the meeting. A holder of bearer shares must obtain a certificate (*certificat d'immobilisation*) from the accredited intermediary with whom the holder has deposited its shares, and the certificate must state that the shares are not transferable until the time fixed for the meeting. The holder must deposit this certificate at the place specified in the notice of the meeting by 3:00 p.m. (Paris time) the day before the meeting.

**Preemptive rights may be unavailable to holders of France Telecom's ADSs.**

Holders of France Telecom's ADSs or U.S. resident shareholders may be unable to exercise preemptive rights granted to France Telecom's shareholders, in which case holders of France Telecom's ADSs could be substantially diluted. Under French law, whenever France Telecom issues new shares for payment in cash or in kind, France Telecom is usually required to grant

preemptive rights to its shareholders. However, holders of France Telecom's ADSs or U.S. resident shareholders may not be able to exercise these preemptive rights to acquire shares unless both the rights and the shares are registered under the Securities Act of 1933 or an exemption from registration is available.

If the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case no value will be given for these rights.

### **3.3.4 RISK FACTORS RELATING TO LEGAL PROCEEDINGS**

France Telecom is involved in several investigations or legal proceedings that are more fully described in Note 29 of the Notes to the Consolidated Financial Statements. France Telecom's position as the leading operator and provider of networks and telecommunications services in France and one of the leading telecommunications operators in the world subjects it to the scrutiny of its competitors and French and European competition authorities. In addition, France Telecom is regularly involved in legal disputes with competitors as a result of its leading positions in the fixed and wireless telecommunications markets in which it operates. With the exception of the proceedings set forth in Note 29 of the Notes to the Consolidated Financial Statements, France Telecom believes that none of these proceedings, taken by itself, would have a material adverse effect on the financial condition or results of operations of the Group.

### 5.1.2.2 RESULTS OF THE TOP OPERATIONAL IMPROVEMENTS PROGRAM

The following table shows the reductions achieved in operating expenses before depreciation and amortization and before amortization of actuarial adjustments in the early retirement plan ("operating expenses before depreciation and amortization" or "OPEX"; see "– 5.9 Non-GAAP Financial Measures and Financial Glossary – Financial Glossary") and investments in tangible and intangible assets (excluding UMTS/GSM licenses) ("CAPEX") between 2002 and 2003, in the context of the implementation of the TOP Program.

(€ millions)	Year ended December 31,			Variations	
	2003	2002 on a comparable basis <sup>(1)</sup> (unaudited)	2002 historical	2003/2002 on a comparable basis (unaudited)	2003/2002 historical
OPEX <sup>(2)</sup>	(28,818)	(30,305)	(31,713)	1,487	2,895
CAPEX	5,086	6,950	7,441	(1,864)	(2,355)
Operating income before depreciation and amortization less CAPEX	12,217	7,355	7,475	4,863	4,742
Changes in working capital (trade) <sup>(3)</sup>	(1,278)		(992)		

(1) The calculation, using figures on a historical basis, of figures on a comparable basis is set forth above and below.

(2) OPEX is equal to the sum of costs of goods and services sold, selling, general and administrative expenses and research and development expenses, as presented by destination on the income statement. These expenses are also followed on the basis of type of expense, as detailed below.

(3) Changes in working capital (trade) is discussed below. See "– 5.4.2.1 Net Cash Provided by Operating Activities".

TOP projects crossed from the launch stage to the roll-out stage. After priority given to projects delivering rapid results in the first quarter of 2003, the gradual restructuring of principal procedures delivered its first results and is being integrated at all levels of the organization to improve operating performance in a continuing manner.

The results achieved from the TOP Program during 2003 exceeded targets. These results should permit the acceleration of debt reduction for the Group, while reinforcing its growth.

France Telecom affirms its goal to generate more than €15 billion of free cash flow over the period 2003-2005, through the TOP Program. In 2003, France Telecom generated more than €6.4 billion in free cash flow excluding asset disposals (see "– 5.4.2 Liquidity"), compared to an initial goal of more than €3 billion raised to more than €4 billion excluding asset disposals.

#### ■ Changes in operating expenses before depreciation and amortization

See "– 5.2.1.2 From Revenues to Operating Income Before Depreciation and Amortization – Operating Expenses Before Depreciation and Amortization Excluding Personnel Costs".

Operating expenses before depreciation and amortization by type of expense is an alternative presentation to operating expenses as they are presented on the income statement by destination (cost of services and products sold, selling, general and administrative expenses and research and development expenses) – see Note 5 of the Notes to the Consolidated Financial Statements for information regarding how these presentations inter-relate. Following the implementation of the FT Ambition Plan 2005 plan, management follows Group operating expenses before depreciation and amortization by type of expense. As a result, the discussion of Group 2003 and 2002 results focuses on operating expenses before depreciation and amortization by type of expense, while the discussion by segment focuses on operating expenses before depreciation and amortization by destination.

Between 2002 and 2003, operating expenses before depreciation and amortization decreased €2,895 million.

On a comparable basis, the gains recorded for operating expenses before depreciation and amortization for the same period were approximately €1,487 million.

In 2003, operating expenses before depreciation and amortization amounted to approximately €28.8 billion, compared to €30.3 billion in 2002 on a comparable basis, or approximately 62.5% of revenues compared to approximately 67.9% for the year earlier period, an improvement of over 5 points.

The transformation in procedures and the effects of the TOP Sourcing Program (contractual renegotiations and reduction in the number of suppliers) particularly benefits operating expenses before depreciation and amortization through improvement in the selection of expenses and pooling of resources among the France Telecom Group's divisions. Gains in operating expenses before depreciation and amortization were mainly drawn from:

- the first results of the actions taken by "saving trackers" for the streamlining and improved allocation of general expenses, resulting in a modification of the approach to expenditure in the long-term and to a reduction in expenses relating to off-site transport, business travel and expenses relating to studies and fees;
- the implementation of new operational processes and the internalization of certain activities leading to an improvement in the operational processes relating to the maintenance and use of networks; and
- the restructuring of costs related to communication around advertising and a streamlining of expenses related to sponsorship.

Gains in operating expenses before depreciation and amortization were mainly derived from external purchases, which experienced a significant decrease during the years amounting to €18.0 billion in 2003, compared to €19.0 billion in 2002 on a comparable basis, representing a gain of €969 million. Among these, savings in consulting/advisory related expenses amounted to approximately €444 million and communications and advertising gains amounted to €107 million in 2003.

#### ■ Changes in progression of investments in tangible and intangible assets excluding licenses ("CAPEX")

Between 2002 and 2003, investments in tangible and intangible assets excluding licenses decreased €2,355 million.

On a comparable basis, the gain in investments in tangible and intangible assets excluding licenses recorded for the same period was €1,864 million. This reflected better selectivity in investments in tangible and intangible assets, the effects of the TOP Sourcing Program and support for growth sectors.

The principal contributors to the reduction of investments in tangible and intangible assets were:

- the "Orange" segment for 42%;
- the "Fixed Line, Distribution, Networks, Large Customers and Operators" segment for 40%;
- the "Equant", "TP Group" and "Other International" segments for a total of 16%; and
- the "Wanadoo" segment for 2%.

Orange's investments in tangible and intangible assets excluding licenses decreased as a result of the delay of investments in the UMTS network due to the insufficient maturity of the market for the launch of the 3<sup>rd</sup> generation. A "CAPEX sharing" project was commenced in order to increase the pooling of assets for investments in areas such as information systems and billing. The decreases in the "Fixed Line, Distribution, Networks, Large Customers and Operators" segment corresponded to the decrease in expenditure in areas such as the switching and transmission capacities of the network in France.

However, in line with the TOP Program, and in order to accelerate productivity and improve the selectivity of investments, expenses for investments in tangible and intangible assets excluding licenses increased in areas with strong growth potential. This was particularly the case for investments related to broadband. Investments in the ADSL network increased 31% for the Group in 2003 compared to 2002 on a comparable basis, whereas the production of ADSL lines reached 3.1 million in 2003.

As a result, the level of the Group's investments in tangible and intangible assets excluding licenses is aimed at ensuring long-term growth in growth markets.

#### ■ Operating income before depreciation and amortization less CAPEX

Operating income before depreciation and amortization less CAPEX increased €4,742 million between 2002 and 2003.

The results achieved under the TOP Program exceeded targets.

On a comparable basis, operating income before depreciation and amortization less CAPEX increased over 66% (approximately €4,863 million) to €12.2 billion at December 31, 2003 compared to €7.4 billion at December 31, 2002. This improvement of €4.9 billion was due to an increase of approximately €1.5 billion in revenues, approximately €1.5 billion for operating expenses before depreciation and amortization gains and approximately €1.9 billion in gains in investments in tangible and intangible assets excluding licenses.

For information regarding risks related to the TOP Program, see "Item 3. Key Information – 3.3.1 Risk Factors Relating to France Telecom's Business – The 'TOP' Program may not achieve the expected results, which could have a material adverse impact on France Telecom's financial condition and results of operations".